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建業地產股份有限公司*

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2022, revenue was approximately RMB24,083 million, representing a decrease of approximately 42.6% as compared with 2021.
- Annual gross profit margin was 7.9%, representing a decrease of 8.3 percentage points as compared with 2021.
- Loss for the year was approximately RMB7,819 million (2021: Profit for the year of approximately RMB1,253 million).
- Loss attributable to equity holders of the Company for the year was approximately RMB7,561 million (2021: Profit attributable to equity holders of the Company of approximately RMB605 million).
- Basic loss per share for the year were RMB259.67 cents (2021: basic earnings per share for the year of RMB21.21 cents).
- The Board did not recommend a final dividend for the year (2021: HK\$2.70 cents per share).

ANNUAL RESULTS

The Board announces the consolidated results (the “Annual Results”) of the Group for the year ended 31 December 2022 with comparative figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2022

(Expressed in Renminbi)

		2022	2021
	Note	RMB'000	RMB'000
Revenue	2	24,082,521	41,958,757
Cost of sales		<u>(22,181,119)</u>	<u>(35,148,115)</u>
Gross profit		1,901,402	6,810,642
Other revenue	3	121,455	211,644
Other net (losses)/income	3	(3,434,295)	75,519
Selling and marketing expenses		(1,134,267)	(1,725,367)
General and administrative expenses		(1,251,456)	(1,602,454)
Impairment losses on trade and other receivables and contract assets		<u>(611,994)</u>	<u>(226,523)</u>
		(4,409,155)	3,543,461
Finance costs	4(a)	(1,050,472)	(668,735)
Share of profits less losses of associates	7	16,134	12,451
Share of profits less losses of joint ventures	8	<u>(184,565)</u>	<u>148,061</u>
(Loss)/Profit before change in fair value of investment property and income tax		(5,628,058)	3,035,238
Net valuation (loss)/gain on investment property		<u>(1,414,263)</u>	<u>311,619</u>
(Loss)/Profit before taxation	4	(7,042,321)	3,346,857
Income tax	5(a)	<u>(776,189)</u>	<u>(2,093,872)</u>
(Loss)/Profit for the year		<u>(7,818,510)</u>	<u>1,252,985</u>

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Attributable to:			
Equity shareholders of the Company		(7,561,017)	604,914
Non-controlling interests		<u>(257,493)</u>	<u>648,071</u>
(Loss)/Profit for the year		<u>(7,818,510)</u>	<u>1,252,985</u>
(Loss)/Earnings per share	<i>6</i>		
– Basic (<i>RMB cents</i>)		(259.67)	21.21
– Diluted (<i>RMB cents</i>)		<u>(259.67)</u>	<u>21.20</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

(Expressed in Renminbi)

	<i>Note</i>	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/Profit for the year		<u>(7,818,510)</u>	<u>1,252,985</u>
Other comprehensive income for the year (after tax and reclassification adjustments)			
<i>Items that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		(20,493)	61,290
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on:			
– Translation of financial statements to the presentation currency		(536,032)	66,533
– Arising on a monetary item that forms part of net investment in foreign operations		<u>(475,337)</u>	<u>149,660</u>
Other comprehensive income for the year		<u>(1,031,862)</u>	<u>277,483</u>
Total comprehensive income for the year		<u><u>(8,850,372)</u></u>	<u><u>1,530,468</u></u>
Attributable to:			
Equity shareholders of the Company		(8,592,889)	882,404
Non-controlling interests		<u>(257,483)</u>	<u>648,064</u>
Total comprehensive income for the year		<u><u>(8,850,372)</u></u>	<u><u>1,530,468</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2022

(Expressed in Renminbi)

		2022	2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		8,978,696	7,801,961
Investment property		3,805,990	5,074,100
Intangible assets and goodwill		1,086,541	1,110,223
Biological assets		178,481	11,368
Interests in associates	7	1,734,710	208,757
Interests in joint ventures	8	3,804,901	9,504,297
Other financial assets		628,051	672,049
Deferred tax assets		48,495	212,877
		20,265,865	24,595,632
Current assets			
Trading securities		4,496	53,647
Biological assets		34,451	9,547
Inventories and other contract costs	9	92,508,118	87,784,245
Contract assets		49,152	32,764
Trade and other receivables	10	6,524,266	5,703,023
Deposits and prepayments	11	11,768,748	14,183,252
Tax recoverable		3,449,389	3,596,734
Restricted bank deposits		2,462,406	3,946,166
Cash and cash equivalents		1,890,077	5,901,642
		118,691,103	121,211,020
Current liabilities			
Bank loans	12	(4,526,629)	(2,399,050)
Other loans	13	(2,123,570)	(1,201,760)
Trade and other payables	14	(57,339,130)	(54,740,364)
Contract liabilities		(51,666,372)	(52,361,021)
Senior notes		(6,234,757)	(3,160,096)
Lease liabilities		(36,355)	(96,356)
Taxation payable		(1,325,697)	(1,881,476)
		(123,252,510)	(115,840,123)
Net current (liabilities)/assets		(4,561,407)	5,370,897
Total assets less current liabilities		15,704,458	29,966,529

	<i>Note</i>	2022 RMB'000	2021 <i>RMB'000</i>
Non-current liabilities			
Bank loans	<i>12</i>	(3,519,385)	(2,550,565)
Other loans	<i>13</i>	(1,000)	(320,000)
Senior notes		(7,256,012)	(12,308,542)
Lease liabilities		(326,083)	(399,368)
Deferred tax liabilities		(1,273,928)	(1,644,733)
		<u>(12,376,408)</u>	<u>(17,223,208)</u>
NET ASSETS		<u>3,328,050</u>	<u>12,743,321</u>
CAPITAL AND RESERVES			
Share capital		266,528	260,118
Reserves		519,031	9,082,259
Total equity attributable to equity shareholders of the Company		785,559	9,342,377
Non-controlling interests		<u>2,542,491</u>	<u>3,400,944</u>
TOTAL EQUITY		<u>3,328,050</u>	<u>12,743,321</u>

CASH FLOW INFORMATION

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash (used in)/generated from operating activities	<u>(1,355,166)</u>	<u>780,864</u>
Net cash generated from/(used in) investing activities	<u>644,220</u>	<u>(2,105,399)</u>
Net cash used in financing activities	<u>(3,303,553)</u>	<u>(15,335,461)</u>
Net decrease in cash and cash equivalents	(4,014,499)	(16,659,996)
Cash and cash equivalents at 1 January	5,901,642	22,618,964
Effect of foreign exchange rate changes	<u>2,934</u>	<u>(57,326)</u>
Cash and cash equivalents at 31 December	<u>1,890,077</u>	<u>5,901,642</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

Central China Real Estate Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Room 7701B-7702A, 77th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in property development in Henan Province in the People’s Republic of China (the “PRC”).

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation and functional and presentation currency

- (i) The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and joint ventures. The consolidated financial statements are presented in Renminbi (“RMB”) rounded to the nearest thousand, while the Company’s functional currency is the Hong Kong dollar (“HK\$”).

Multiple material uncertainties relating to going concern

The Group incurred a net loss of RMB7,818,510,000 and net operating cash outflows of RMB1,355,166,000 for the year ended 31 December 2022. As at 31 December 2022, the Group’s net current liabilities amounted to RMB4,561,407,000 and total bank and other loans and senior notes amounted to RMB23,661,353,000, out of which bank and other loans of RMB6,650,199,000 and offshore senior notes of RMB6,234,757,000 will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to RMB1,890,077,000.

During the year ended 31 December 2022, the real estate sector in the People’s Republic of China (“the PRC”) continued to experience volatility. This mainly includes the tightened policies adopted towards the real estate sector in 2021 and the deteriorating consumer sentiment in the PRC, resulting in the whole real estate sector suffering from short-term liquidity pressures, which is even worsened by the multiple rounds of lock-down of cities in Henan and other provinces in the PRC during 2022 due to the COVID-19. As a result, pre-sale of Chinese property developers has generally decreased in 2022. The Group also experienced a significant decline of its contracted sales in 2022. Although the Chinese governments has announced an array of policies to shore up the sector recently, the local market condition in the real estate sector of Henan Province still needs time to recover. Therefore, the Company anticipates that in the absence of a strong and quick recovery in the local market of Henan Province, the Group’s real estate operation in Henan Province remains under pressure in the near term.

As at 31 December 2022, the Group’s total existing offshore senior notes amounted to RMB13,490,769,000, including amounts of RMB2,085,718,000 due in April 2023, RMB2,779,686,000 due in August 2023 and RMB1,369,353,000 due in November 2023, RMB5,470,544,000 due in 2024 and RMB1,785,468,000 due in 2025. Failure to repay such offshore senior notes at maturity will constitute an event of default and trigger cross-default of other outstanding senior notes issued by the Group. Under the cross-default provision, the other outstanding senior notes will become due to immediate redemption once the relevant senior note holder makes the request.

Against the backdrop of the adverse market conditions, the Group’s internal funds available for debt repayment became increasingly limited. The Group also experienced short-term liquidity pressure due to limited access to external capital to refinance its existing indebtedness.

The current macroeconomic conditions and the timing of recovery in local real estate industry has brought additional material uncertainties to the Group. It may be more challenging for the Group to generate operating cash inflows or refinance loans and senior notes than it has historically been.

All these events or conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. The directors have reviewed the Group's cash flow projections prepared by management, which covers a period of at least 12 months from 31 December 2022. Certain plans and measures have been taken to mitigate the liquidity pressures and to improve its financial position which include, but not limited to, the following:

- (i) The Group intends to implement debt management measures in relation to the Group's offshore senior notes;
- (ii) The Group continues to negotiate with existing lenders, including banks and other financial institutions, material shareholders of the Company and state-owned real-estate funds, on the renewal or extension of the Group's certain borrowings and seek for additional financing to settle its existing financial obligations and future operating expenditure;
- (iii) The Group continues to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds and other receivables;
- (iv) The Group closely monitors the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule, such that the Group is able to release restricted pre-sale proceeds as planned, while maintaining more stringent cost control measures; and
- (v) The Group will not commit on significant capital expenditures and land acquisitions before securing the necessary funding.

The directors of the Company are of the opinion that, assuming the success of the above plans and measures on a timely basis, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least the next twelve months from 31 December 2022. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2022 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in the local market and the uncertainties of obtaining continuous support from the Group's creditors including noteholders, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern depends on its ability to achieve the following:

- (i) successfully progressing and completing the debt management measures in relation to the Group's offshore senior notes, which will be subject to various external conditions that are beyond the Group's control, including but not limited to noteholders' acceptance of the amendments to be proposed, possible material adverse change in the market during the process and fulfilment of legal or regulatory requirements;
- (ii) successfully improving its liquidity position, generating sufficient cash flows to meet its obligations, recovering from the volatility in the local real estate industry, expediting the sales of properties, and collection of outstanding sales proceeds and other receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures to address the Group's debt obligations within a reasonable timeframe;
- (iii) successfully negotiating with the existing lenders on the renewal or extension of the Group's certain borrowings and maintenance of the relationship with the Group's current finance providers so that they continue to provide finance to the Group, which is subject to current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and the relevant lenders; and
- (iv) successfully obtaining additional new sources of financing.

If the Group fail to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(ii) The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest;
- investments in debt and equity securities;
- derivative financial instruments; and
- biological assets.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use
- Amendment to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the consolidated financial statements.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development, property leasing and hotel operations. Revenue of the Group for the period is analysed as follows:

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS15		
Disaggregated by major products or service lines		
– Sales of properties	23,466,781	40,708,548
– Revenue from hotel operations	231,521	285,529
– Revenue from project management service	36,459	575,056
– Others	212,099	186,983
	<u>23,946,860</u>	<u>41,756,116</u>
Revenue from other sources		
Rental income from investment properties	113,090	173,862
Rental income from properties for sale	22,571	28,779
	<u>135,661</u>	<u>202,641</u>
	<u><u>24,082,521</u></u>	<u><u>41,958,757</u></u>

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Point in time		
– Sales of properties	19,874,861	34,094,797
– Revenue from hotel operations	231,521	285,529
– Others	212,099	186,983
	<u>20,318,481</u>	<u>34,567,309</u>
	-----	-----
Over time		
– Sales of properties	3,591,920	6,613,751
– Revenue from project management service	36,459	575,056
	<u>3,628,379</u>	<u>7,188,807</u>
	-----	-----
	<u>23,946,860</u>	<u>41,756,116</u>
	=====	=====

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

(ii) Revenue expected to be recognised in the future arising from sales of properties and project management service

– *Property development*

As at 31 December 2022, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB52,654,217,000 (2021: RMB59,648,568,000). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development entered into by the customers with the Group. This amount includes the interest component of pre-completion properties sales contracts under which the Group obtains significant financing benefits from the customers. The Group will recognise the expected revenue in future when or as the control is transferred or by measuring the progress towards complete satisfaction of the performance obligation, which is generally expected to occur over the next 36 months.

– *Project management service*

As at 31 December 2022, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB47,733,000 (2021: RMB63,059,000). This amount represents revenue expected to be recognised in the future from project management service contracts retained by the Group after the separate listing of Central China Management Company Limited. The Group will recognise the expected revenue in future by measuring the progress towards complete satisfaction of the performance obligation, during the estimated service period which generally ranges from three years to five years.

(iii) Lease income

The Group leases out its investment properties and certain completed properties held for sale under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain leases include variable lease payment terms that are based on the revenue of tenants.

The Group's undiscounted lease income under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Total future minimum lease income from:		
Investment properties:		
Within 1 year	47,933	132,387
After 1 year but within 2 years	51,664	90,874
After 2 year but within 3 years	50,107	64,718
After 3 year but within 4 years	50,120	46,773
After 4 year but within 5 years	46,906	30,785
After 5 years	44,863	66,916
	291,593	432,453
Properties held for sale:		
Within 1 year	14,066	23,069
After 1 year but within 2 years	5,525	12,899
After 2 year but within 3 years	5,274	10,968
After 3 year but within 4 years	4,161	8,901
After 4 year but within 5 years	3,936	7,287
After 5 years	13,176	29,101
	46,138	92,225

For properties held for sale under operating leases, the directors confirm that the Group intends to sell the properties together with the respective leases.

(b) Segment reporting

(i) *Services from which reportable segments derive their revenue*

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating segments*.

(ii) *Geographical information*

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in the PRC.

3 OTHER REVENUE AND OTHER NET (LOSSES)/INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other revenue		
Interest income	59,547	173,214
Dividend income from equity securities	3,313	10,934
Government grants	32,809	6,033
Others	25,786	21,463
	<u>121,455</u>	<u>211,644</u>
Other net (losses)/income		
Net realised and unrealised loss on trading securities	(7,508)	(6,742)
Inventory write-down (<i>note 9(a)</i>)	(2,368,648)	(978,849)
Penalty accruals	(329,702)	(60,179)
Net gain on deemed disposals and disposals of joint ventures	48,296	41,223
Net (loss)/gain on deemed disposals and disposals of subsidiaries	(692,392)	964,985
Net gain on deemed disposals and disposals of associates	1,089	4,325
Net exchange (loss)/gain	(118,850)	94,331
Changes in fair value of biological assets less cost to sell	(33,386)	(1,746)
Net gain on disposals of property, plant and equipment	20,286	6,160
Others	46,520	12,011
	<u>(3,434,295)</u>	<u>75,519</u>

4 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging/(crediting):

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(a) Finance costs		
Interest on bank loans and other borrowings	2,476,491	2,345,816
Interest on lease liabilities	29,657	32,168
Interest accrued on advance payments from customers	<u>1,458,860</u>	<u>1,984,269</u>
Total interest expense on financial liabilities not at fair value through profit or loss	3,965,008	4,362,253
Less: Borrowing costs capitalised into properties under development*	<u>(2,929,345)</u>	<u>(3,888,267)</u>
	----- 1,035,663	----- 473,986
Net change in fair value of derivatives		
– call options	14,809	28,093
– foreign exchange rate swap contract	–	33,820
– foreign exchange forward contracts and option contracts	<u>–</u>	<u>132,836</u>
	----- 14,809	----- 194,749
	<u><u>1,050,472</u></u>	<u><u>668,735</u></u>

Note:

* *The capitalisation rate used to capitalise interest on general borrowings in 2022 was 8.26 % per annum (2021: 7.22% per annum).*

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
(b) Staff costs		
Contributions to defined contribution retirement plan	59,156	63,232
Equity settled share-based payment expenses	15,968	32,145
Salaries, wages and other benefits	534,629	736,134
Termination benefits	65,043	–
	<u>674,796</u>	<u>831,511</u>

Employees of the Group's subsidiaries in the PRC ("PRC subsidiaries") are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group also participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(c) Other items		
Amortisation of intangible assets	14,504	12,305
Depreciation		
– owned property, plant and equipment	213,207	229,558
– right-of-use assets	63,270	54,791
	<u>276,477</u>	<u>284,349</u>
Impairment losses on trade and other receivables, and contract assets	611,994	226,523
Group auditor's remuneration		
– audit services	12,250	6,350
– other services	2,860	5,170
Local statutory auditors' remuneration		
– audit services	2,762	3,380
– other services	799	900
Cost of inventories (<i>note 9(a)</i>)	21,826,251	34,692,430
Rental income from investment properties less direct outgoings of RMB13,200,000 (2021: RMB23,017,000)	(99,890)	(150,845)
Rental income from properties for sale less direct outgoings of RMB6,316,000 (2021: RMB12,174,000)	(16,255)	(16,605)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax		
PRC Corporate Income Tax	199,925	1,299,550
PRC Land Appreciation Tax	810,705	965,422
Withholding tax	—	113,562
	<u>1,010,630</u>	<u>2,378,534</u>
Deferred tax		
PRC Corporate Income Tax	(246,761)	(200,160)
PRC Land Appreciation Tax	12,320	(84,502)
	<u>(234,441)</u>	<u>(284,662)</u>
	<u><u>776,189</u></u>	<u><u>2,093,872</u></u>

- (i) Pursuant to the rule and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.
- (ii) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.
- (iii) *PRC Corporate Income Tax (“CIT”)*

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the PRC subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

The PRC subsidiaries were subject to the actual taxation method, were charged CIT at a rate of 25% (2021: 25%) on the estimated assessable profits for the year.

(iv) *Land Appreciation Tax (“LAT”)*

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

(v) *Withholding tax*

Withholding taxes are levied on the Company’s subsidiaries in Hong Kong (“Hong Kong subsidiaries”) in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by Hong Kong subsidiaries from PRC subsidiaries ranged from 5% to 10%.

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

	2022 <i>RMB’000</i>	2021 <i>RMB’000</i>
(Loss)/Profit before taxation	<u>(7,042,321)</u>	<u>3,346,857</u>
Tax on (loss)/profit before tax, calculated at 25% (2021: 25%)	(1,760,580)	836,714
Difference in tax rates for parent company and certain subsidiaries	22,779	95,218
Tax effect of non-taxable income	(21,210)	(197,678)
Tax effect of non-deductible expenses	761,933	146,034
Tax effect of unused tax losses not recognised	357,145	307,769
Tax effect of other deductible temporary difference not recognised	845,190	247,368
Utilisation of tax loss not recognised in prior years	(46,337)	(115,805)
Withholding tax	–	113,562
LAT	823,025	880,920
Tax effect of LAT	<u>(205,756)</u>	<u>(220,230)</u>
Income tax expense	<u>776,189</u>	<u>2,093,872</u>

6 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB7,561,017,000 (2021: profit of RMB604,914,000) and the weighted average of 2,911,754,410 ordinary shares (2021: 2,851,628,076 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2022	2021
Issued ordinary shares at 1 January	2,856,116,120	2,833,050,120
Effect of share options exercised	–	19,029,737
Effect of share award scheme vested and transferred	18,110,301	–
Effect of scrip dividend issued	39,989,553	–
Effect of shares repurchased	<u>(2,461,564)</u>	<u>(451,781)</u>
Weighted average number of ordinary shares at 31 December	<u><u>2,911,754,410</u></u>	<u><u>2,851,628,076</u></u>

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB7,561,017,000 (2021: profit of RMB604,914,000 and the weighted average number of ordinary shares of 2,911,754,410 shares (2021: 2,853,411,813 shares), calculated as follows:

(i) (Loss)/Profit attributable to ordinary equity shareholders of the Company (diluted)

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit attributable to equity shareholders (diluted)	<u><u>(7,561,017)</u></u>	<u><u>604,914</u></u>

(ii) *Weighted average number of ordinary shares (diluted)*

	2022	2021
Weighted average number of ordinary shares at 31 December	2,911,754,410	2,851,628,076
Effect of deemed issue of ordinary shares under the Company's share option scheme and share award scheme	<u>—</u>	<u>1,783,737</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>2,911,754,410</u>	<u>2,853,411,813</u>

As the Group incurred losses for the year ended 31 December 2022, the deemed issued of ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share are the same as basic loss per share.

7 INTERESTS IN ASSOCIATES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Share of net assets	259,317	160,200
Amounts due from associates	<u>1,475,393</u>	<u>48,557</u>
	<u>1,734,710</u>	<u>208,757</u>

Amounts due from associates are interest-free, unsecured and have no fixed terms of repayment, and are expected to be recovered after more than one year.

8 INTERESTS IN JOINT VENTURES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Share of net assets	1,621,207	2,700,666
Amounts due from joint ventures	<u>2,183,694</u>	<u>6,803,631</u>
	<u>3,804,901</u>	<u>9,504,297</u>

Amounts due from joint ventures included amount of RMB1,170,453,000 (2021: RMB1,170,671,000) which are interest-bearing at 10%-12% per annum, unsecured and have no fixed terms of payment. The remaining amounts due from joint ventures are unsecured, interest-free and have no fixed terms of payment. They are expected to be recovered after more than one year.

9 INVENTORIES AND OTHER CONTRACT COSTS

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Inventories			
– Properties held for future development and under development for sale		86,369,998	79,006,969
– Completed properties held for sale		5,783,940	8,402,943
– Others		<u>72,197</u>	<u>50,247</u>
		<u>92,226,135</u>	<u>87,460,159</u>
Other contract costs	<i>(d)</i>	<u>281,983</u>	<u>324,086</u>
		<u>92,508,118</u>	<u>87,784,245</u>

- (a) The analysis of the amount of properties for sale recognised as an expense and included in profit or loss is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Carrying amount of inventories sold	21,826,251	34,692,430
Write-down of inventories	<u>2,368,648</u>	<u>978,849</u>
	<u>24,194,899</u>	<u>35,671,279</u>

The amount of properties for future development and under development expected to be recovered after more than one year is RMB62,009,998,000 (2021: RMB36,111,774,000). All of the other inventories are expected to be recovered within one year.

- (b) The analysis of carrying value of leasehold land held for property development for sale is as follows:

	2022	2021
	RMB'000	RMB'000
In the PRC, with remaining lease term of:		
– long leases (50 years or more)	43,516,675	38,133,995
– medium-term leases (between 10 and 50 years)	4,042,533	3,672,001
	<u>47,559,208</u>	<u>41,805,996</u>

- (c) Certain of the Group's properties for sale was pledged as securities for the Group's bank loans and other loans. Details are set out in notes 12 and 13.

At 31 December 2022, the Group's properties for sale of RMB651,900,000 (2021: RMB4,673,099,000) were pledged as securities for joint ventures' loans.

(d) **Contract costs**

Contract costs capitalised as at 31 December 2022 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "selling and marketing expense" in the consolidated income statement in profit loss the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB279,649,000 (2021: RMB297,668,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year (2021: Nil).

The amount of capitalised contract costs that is expected to be recovered after more than one year is RMB113,345,000 (2021: RMB154,781,000).

10 TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade debtors and bills receivable, net of loss allowance	(a)	93,385	92,142
Other debtors		2,225,786	1,893,364
Amounts due from joint ventures		58,353	173,192
Amounts due from associations		32,890	4,021
Amounts due from entities controlled by the ultimate controlling shareholder		149,867	112,242
Amounts due from entities jointly controlled by a close family member of the ultimate controlling shareholder		11,478	4,578
Amounts due from non-controlling interests		<u>3,947,943</u>	<u>3,405,521</u>
		<u>6,519,702</u>	<u>5,685,060</u>
Derivative financial instruments: – redemption call options embedded in senior notes		<u>4,564</u>	<u>17,963</u>
		<u>4,564</u>	<u>17,963</u>
		<u>6,524,266</u>	<u>5,703,023</u>

(a) **Aging analysis**

The aging analysis of bills and trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 3 months	28,371	56,302
3 to 6 months	15,570	20,363
6 to 12 months	15,866	11,827
Over 1 year	33,578	3,650
	<u>93,885</u>	<u>92,142</u>

Trade debtors and bills receivable are due upon the invoicing.

11 DEPOSITS AND PREPAYMENTS

As at 31 December 2022, the balance included deposits and prepayments for leasehold land of RMB8,530,873,000 (2021: RMB11,502,378,000), prepaid value-added tax and related surcharges of RMB1,321,961,000 (2021: RMB1,175,814,000) and prepayment to entities controlled by the ultimate controlling shareholder of RMB154,868,000 which are expected to be recovered or recognised as cost of sales or expenses in the consolidated statement of profit or loss.

12 BANK LOANS

At 31 December 2022, the bank loans were repayable as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year or on demand	4,526,629	2,399,050
After 1 year but within 2 years	1,902,246	1,077,560
After 2 years but within 5 years	1,450,739	1,314,005
After 5 years	166,400	159,000
	<u>3,519,385</u>	<u>2,550,565</u>
	<u>8,046,014</u>	<u>4,949,615</u>

At 31 December 2022, the bank loans were secured as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Bank loans		
– secured	7,656,514	4,910,615
– unsecured	<u>389,500</u>	<u>39,000</u>
	<u>8,046,014</u>	<u>4,949,615</u>

At 31 December 2022, the secured bank loans are secured over equity interest in subsidiaries of the Group and other assets of the Group as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Properties for sale	12,302,212	5,313,645
Property, plant and equipment	1,099,335	781,856
Investment property	<u>205,000</u>	<u>–</u>
	<u>13,606,547</u>	<u>6,095,501</u>

The effective interest rates of bank loans of the Group at 31 December 2022 were ranged from 4.3%–10.9% (2021: 4.5% – 8.6%) per annum.

Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants.

13 OTHER LOANS

At 31 December 2022, other loans represented loans from external financial institutions and were repayable as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	2,123,570	1,201,760
After 1 year but within 2 years	1,000	319,000
After 2 years but within 5 years	—	1,000
	<u>2,124,570</u>	<u>1,521,760</u>

At 31 December 2022, the other loans were secured as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Other loans		
– secured	2,124,570	1,407,700
– unsecured	—	114,060
	<u>2,124,570</u>	<u>1,521,760</u>

The effective interest rates of other loans of the Group at 31 December 2022 were ranged from 8.9% to 12.0% (2021: 8.9% – 10.5% per annum).

At 31 December 2022, the secured other loans are secured over assets of subsidiaries of the Group as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Properties for sale	4,325,142	2,536,217
Property, plant and equipment	347,048	324,877
	<u>4,672,190</u>	<u>2,861,094</u>

14 TRADE AND OTHER PAYABLES

	<i>Note</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade creditors and bills payable	(a)	37,164,043	32,832,477
Other creditors and accrued charges		7,435,082	6,501,449
Amounts due to joint ventures		1,616,946	5,926,640
Amounts due to associates		136,623	146,532
Amounts due to entities controlled by the ultimate controlling shareholder		3,844,741	1,345,035
Amounts due to non-controlling interests		4,678,842	4,668,657
Amounts due to the shareholder with significant influence over the Group		<u>696,154</u>	<u>—</u>
		<u>55,572,431</u>	<u>51,420,790</u>
Other tax payables		<u>1,766,699</u>	<u>3,319,574</u>
		<u>57,339,130</u>	<u>54,740,364</u>

(a) Aging analysis

As of the end of the reporting period, the aging analysis of trade creditors and bills payable based on the invoice date is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 3 months	19,455,702	17,420,384
3-6 months	3,017,924	4,777,432
6-12 months	4,498,417	5,851,222
Over 12 months	<u>10,192,000</u>	<u>4,783,439</u>
	<u>37,164,043</u>	<u>32,832,477</u>

15 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interim dividend declared and paid: Nil (2021: HK\$14.75 cents)	–	364,168
Dividend proposed after the end of the reporting period: Nil (2021: HK\$2.70 cents per ordinary share)	–	65,433
	<u>–</u>	<u>65,433</u>

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and settled during the year, of HK\$2.70 cents (equivalent to RMB2.21 cents) per ordinary share (2021: HK\$26.80 cents)	<u>66,301</u>	<u>663,039</u>

The proposed 2021 final dividend of RMB2.21 cents per share totaling RMB66,301,000 (HK\$ equivalent of 80,031,000) was announced by the Company on 31 May 2022 and has been paid partly in new shares of the Company and partly in cash in July 2022. The number of ordinary shares settled and issued as scrip dividends was 86,367,970 and the total amount of dividend paid as scrip dividends was RMB52,286,000 (HK\$ equivalent of 60,803,000) while cash dividend amounted to RMB17,368,000 (HK\$ equivalent of 19,228,000).

16 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2022 not provided for in the financial statements are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Capital commitments for property development		
– Authorised but not contracted for	106,618,658	71,140,158
– Contracted but not provided for	<u>1,181,742</u>	<u>18,032,775</u>
	<u>107,800,400</u>	<u>89,172,933</u>

17 FINANCIAL GUARANTEE

(a) Guarantees given to financial institutions for mortgage facilities granted to buyers of the Group's and joint ventures' properties

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by buyers of the Group's and joint ventures' properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. The Group's guarantee periods commence from the dates of grants of the relevant mortgage loans and end after the buyers obtain the individual property ownership certificate of the property purchased. The amount of guarantees given to banks for mortgage facilities granted to the buyers of the Group's and joint ventures' properties at 31 December 2022 is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Guarantees given to banks for mortgage facilities granted to buyers of:		
– the Group's properties	52,568,796	53,297,798
– the joint ventures' properties (the Group's shared portion)	<u>2,124,882</u>	<u>3,248,579</u>
	<u><u>54,693,678</u></u>	<u><u>56,546,377</u></u>

The directors do not consider it probable that the Group will sustain a loss under these guarantees during the periods as the Group and the joint ventures have not applied for individual building ownership certificates for these buyers and can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group/joint ventures to the banks. The Group and joint ventures have not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group and joint ventures in the event the buyers default payments to the banks.

(b) Guarantees given to financial institutions for bank loans and other loans granted to joint ventures and associates

The Group provided guarantees to bank loans and other loans of joint ventures and associates amounting to RMB1,708,360,000 at 31 December 2022 (2021: RMB6,521,705,000). The Group closely monitors the repayment progress of the relevant loans by those joint ventures. At the end of the reporting period, the directors do not consider it probable that claims will be made against the Group under these guarantees.

(c) Guarantee given to Henan Hongdao and Jiayao Global

On 24 December 2019, the Group entered into an arrangement to provide guarantee to Henan Hongdao Business Information Consultancy Co., Ltd., which is controlled by Mr. Wu Po Sum.

As at 31 December 2022, Henan Hongdao's bank loan amounting to RMB337,000,000 due in 2027 is subject to an annual guarantee fee at 1% of the principal amount outstanding.

During the year ended 31 December 2022, income from the above financial guarantee of RMB10,786,000 was recognised in the consolidated statement of profit or loss.(2021: RMB 12,713,000).

FINANCIAL HIGHLIGHTS

SUMMARY OF STATEMENT OF PROFIT OR LOSS

For the period ended 31 December

	2022	2021	Changes
Revenue (RMB'000)	24,082,521	41,958,757	-42.6%
Gross profit (RMB'000)	1,901,402	6,810,642	-72.1%
Gross profit margin	7.9%	16.2%	-8.3%*
Gross profit from core businesses^ (RMB'000)	1,640,530	6,016,118	-72.7%
Gross profit margin from core businesses	7.0%	14.8%	-7.8%*
Net (loss)/profit (RMB'000)	(7,818,510)	1,252,985	N/A
(Loss)/profit attributable to equity shareholders (RMB'000)	(7,561,017)	604,914	N/A
Basic (loss)/earnings per share (RMB)	(2.5967)	0.2121	N/A
Diluted (loss)/earnings per share (RMB)	(2.5967)	0.2120	N/A
Final dividends per share (HK\$)	N/A	0.0270	N/A

Notes:

* Change in percentage points

^ Core business represents the sales of properties.

SUMMARY OF STATEMENT OF FINANCIAL POSITION

As at 31 December

	2022	2021	Changes
Total cash (including cash and cash equivalents and restricted bank deposits) (RMB'000)	4,352,483	9,847,808	-55.8%
Total assets (RMB'000)	138,956,968	145,806,652	-4.7%
Total liabilities (RMB'000)	135,628,918	133,063,331	1.9%
Total equity (including non-controlling interests) (RMB'000)	3,328,050	12,743,321	-73.9%
Total borrowings (RMB'000)	23,661,353	21,940,013	7.8%
Net borrowings (RMB'000)	19,308,870	12,092,205	59.7%
Current ratio ⁽¹⁾	96.3%	104.6%	-8.3%*
Liabilities to asset ratio (excluding receipts in advance) #	96.2%	86.4%	9.8%*
Net gearing ratio ^{(2)#}	580.2%	94.9%	485.3%*
Cash to short-term debt ratio#	0.34	1.46	-76.7%
Net asset value per share (RMB) ⁽³⁾	1.10	4.30	-74.4%
Equity attributable to equity shareholders (RMB) ⁽³⁾	0.26	3.15	-91.7%

Notes: * Change in percentage points

Three Red Lines Indicators

- (1) Calculated based on the Group's total current assets divided by the Group's total current liabilities.
- (2) Calculated as set out on pages 45 to 46.
- (3) Calculated based on 3,039,126,090 shares issued and fully paid as at 31 December 2022. (31 December 2021: 2,964,116,120 shares.)

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the independent auditor of the Company:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

As described in note 1(b) to the consolidated financial statements, the Group incurred a net loss of RMB7,818,510,000 and net cash outflows from operating activities of RMB1,355,166,000 for the year ended 31 December 2022. As at 31 December 2022, the Group's net current liabilities of RMB4,561,407,000 and total bank and other loans and senior notes amounted to RMB23,661,353,000, out of which bank and other loans of RMB6,650,199,000 and current senior notes of RMB6,234,757,000 will be due for repayment within the next twelve months, while the Group's cash and cash equivalents amounted to RMB1,890,077,000.

As at 31 December 2022, the outstanding amount of Group's offshore senior notes amounted to RMB13,490,769,000, including amounts of RMB2,085,718,000 due in April 2023, RMB2,779,686,000 due in August 2023 and RMB1,369,353,000 due in November 2023, RMB5,470,544,000 due in 2024 and RMB1,785,468,000 due in 2025. Failure to repay such offshore senior notes at maturity will constitute an event of default and trigger cross-default of other outstanding senior notes issued by the Group. Under the cross-default provision, the other outstanding senior notes will become due for immediate redemption once the relevant senior noteholder makes the request.

The Group has been experiencing difficulties and liquidity pressure in view of the current macroeconomic conditions as described in note 1(b). It anticipates that in the absence of a strong and quick recovery in the local market, the Group's real estate operation in Henan province remains under pressure in the near term. The current macroeconomic conditions and the timing of recovery in local real estate industry has also brought additional material uncertainties to the Group. It may be more challenging for the Group to generate operating cash inflows or refinance loans and senior notes than it has historically been.

All these events or conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to mitigate the Group's liquidity pressure and improve its financial position, which are set out in note 1(b) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including whether the Group is able to (i) successfully progress and complete the debt management measures of the Group's offshore senior notes, which will be subject to various external conditions that are beyond the Group's control, including but not limited to noteholders' acceptance of the amendments to be proposed, possible material adverse change in the market during the process and fulfilment of legal or regulatory requirements; (ii) successfully improve its liquidity position, generate sufficient cash flows to meet its obligations, recover from the volatility in the China real estate industry, expedite the sales of properties, and collect outstanding sales proceeds and other receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures to address the Group's debt obligations within a reasonable timeframe; (iii) successfully negotiate with the existing lenders on the renewal of the Group's certain borrowings and maintain the relationship with the Group's current finance providers so that they continue to provide finance to the Group, which is subject to current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and the relevant lenders; and (iv) successfully obtain additional new sources of financing.

If the Group fails to achieve one or more of its plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall performance

The contract sales of heavy assets amounted to RMB24,049 million in 2022 (2021: RMB60,105 million), representing a year-on-year decrease of approximately 60.0%. The cash and cash equivalents and restricted bank deposits of the Company in total amounted to approximately RMB4,352 million as at 31 December 2022 (31 December 2021: approximately RMB9,848 million).

As at 31 December 2022, net borrowings in total amounted to approximately RMB19,309 million (31 December 2021: approximately RMB12,092 million) with net gearing ratio of 580.2% (31 December 2021: 94.9%). The Company continued to adopt a prudent principle in financial management to maintain a reasonable proportion of cash and level of borrowings.

The Company continued to implement a prudent policy to acquire land and accelerated project construction, so as to shorten the development cycle. The Group recorded a loss attributable to equity shareholders of the Company for the year ended 31 December 2022 of approximately RMB7,561 million as compared to a profit attributable to equity shareholders of the Company of approximately RMB605 million for the year ended 31 December 2021. This is mainly due to the comprehensive impact of the macroeconomic situation, recurrence of pandemics and the downturn of the property market, resulting in 1) the Group's overall revenue and gross profit decreased on a year-on-year basis; 2) the fair value of investment properties held by the Group has decreased; and 3) the increase of impairment provisions for inventory and receivables.

As of 31 December 2022, the contract sales of properties of the Company that were not recognised were approximately RMB52,654 million with a corresponding gross profit of approximately RMB3,063 million. The amount is expected to be recognised as revenue and gross profit in the next one to three years. In addition, the contract sales of the joint ventures and associates that were not recognised were approximately RMB6,922 million with corresponding gross profit of approximately RMB899 million.

In addition to property sales, the Company has been developing hotels, cultural tourism and green houses, so as to diversify our business, expand our revenue base and spread our operational risk. The management believes that the injection of part of the resources into these new businesses would improve the Group's industry value-chain and the integration of its businesses into interactive business segments such as properties, hotels, cultural tourism and green houses, which will enable it to offer "personalised" services to its customers.

Revenue: Our revenue decreased by 42.6% from approximately RMB41,959 million in 2021 to approximately RMB24,083 million in 2022, primarily because 1) the confidence in the property market continued to slump and home-buyers tended to be more conservative considering the recurrence of pandemics and the economic downturn, which led to the year-on-year decline in sales; and 2) the recurrence of pandemics resulting in delays to construction progress, which led to the decline in delivery and decrease in revenue recognised during the year.

- **Income from sales of properties:** Revenue from property sales decreased by 42.4% from approximately RMB40,709 million in 2021 to approximately RMB23,467 million in 2022. The annual GFA recognised decreased by 37.9% from approximately 5,709,000 sq.m. in 2021 to approximately 3,548,000 sq.m. in 2022. The average selling price (excluding basement parking spaces) decreased by 7.2% from RMB6,856 per sq.m. in 2021 to RMB6,360 sq.m. in 2022, resulting in the decline in revenue from property sales.
- **Rental income:** Revenue from property leasing decreased by 33.1% from approximately RMB203 million in 2021 to approximately RMB136 million in 2022, which was mainly due to the weak overall macro market performance in China and the impact of the COVID-19 pandemic, resulting in some tenants terminating their tenancy and, at the same time the Group provided rental relief to certain tenants as well.
- **Revenue from hotel operation:** Revenue from hotel operation decreased by 18.9% from approximately RMB286 million in 2021 to approximately RMB232 million in 2022, which was primarily due to the recurrence of pandemics during the year, resulting in the occupancy rate and catering demand decreased in many cities in Henan.

- **Revenue from provision of project management service:** Revenue from provision of project management service was derived from operation and management services provided by the Group under light-asset projects. This revenue in 2021 was mainly contributed by Central China Management Company Limited (“CCMGT”) during the five months before its spin-off on 31 May 2021 (approximately RMB554 million). CCMGT was separately listed on the Main Board of The Stock Exchange of Hong Kong Limited on 31 May 2021 (Stock Code: 9982.HK). After the spin-off, the Group only provided project management services under legacy contracts entered into by the Group prior to CCMGT’s spinoff for project management service income. Therefore, the revenue from provision of project management service of the Group was approximately RMB36 million during 2022.

Cost of sales: Our cost of sales decreased by 36.9% from approximately RMB35,148 million in 2021 to approximately RMB22,181 million in 2022. The decrease in cost of sales was due to the decrease in GFA recognised as mentioned above.

Gross profit: The Company’s gross profit decreased by 72.1% from approximately RMB6,811 million in 2021 to approximately RMB1,901 million in 2022, while gross profit margin decreased by 8.3 percentage points from 16.2% in 2021 to 7.9% in 2022. It was primarily because 1) properties sold at discounts during the epidemic were delivered and recognised during the year, resulting in a decrease in the overall gross profit margin; and 2) the implementation of a focused destocking policy for apartments of commercial nature and parking spaces so as to promote sales, which resulted in a decrease in the average selling price of the properties delivered and a decrease in gross profit margin. Therefore, the overall gross profit margin of property sales decreased by 7.8 percentage points from 14.8% in 2021 to 7.0% in 2022.

Other revenue: Other revenue decreased by 42.6% from approximately RMB212 million in 2021 to approximately RMB121 million in 2022. This was primarily due to the decrease in interest income.

Other net (loss)/income: Other net loss amounted to approximately RMB3,434 million in 2022, as compared to other net income of approximately RMB76 million in 2021. This was primarily due to the increase in inventory write-down of approximately RMB1,390 million and the increase in net loss on deemed disposals and disposals of subsidiaries of approximately RMB1,657 million during the year.

Selling and marketing expenses: Selling and marketing expenses decreased by 34.3% from approximately RMB1,725 million in 2021 to RMB1,134 million in 2022, which was mainly due to the decrease in advertising expense of approximately RMB307 million, property management fee of approximately RMB107 million, staff costs such as sales commission of approximately RMB75 million and outbound labour costs of approximately RMB57 million. The rate of selling and marketing expenses to revenue increased by 0.6 percentage points from approximately 4.1% in 2021 to 4.7% in 2022 due to the decline in revenue.

General and administrative expenses: General and administrative expenses decreased by 21.9% from approximately RMB1,602 million in 2021 to approximately RMB1,251 million in 2022. This was primarily due to the decrease in staff costs of approximately RMB170 million and hospitality, travel, and office expenses of approximately RMB88 million. The rate of general and administrative expenses to revenue increased by 1.4 percentage points from approximately 3.8% in 2021 to 5.2% in 2022 due to the decline in revenue.

Impairment losses on trade and other receivables and contract assets: Impairment losses on trade and other receivables and contract assets increased by 170.2% from approximately RMB227 million in 2021 to approximately RMB612 million in 2022. This was mainly because the balance of other receivables being considered as having a significant increase in credit risk at the end of the year increased, and the provision for expected credit losses increased as compared with 2021.

Finance costs: Finance costs increased by 57.1% from approximately RMB669 million in 2021 to approximately RMB1,050 million in 2022, mainly due to 1) an increase of approximately RMB 562 million in interest expense on borrowings; offset by 2) the forward foreign exchange contracts, foreign exchange options and foreign exchange swap contracts affected by the fluctuation of RMB/USD exchange rate have expired in 2021, the loss on change in fair value of derivative financial instruments for the year decreased by approximately RMB180 million accordingly.

Share of profits less losses of associates: Share of profits of associates amounted to approximately RMB16 million in 2022, representing an increase of approximately RMB4 million as compared with that of approximately RMB12 million in 2021.

Share of profits less losses of joint ventures: Share of losses of joint ventures for 2022 amounted to approximately RMB185 million, as compared to share of profits of joint ventures of approximately RMB148 million in 2021.

Net valuation (loss)/gain on investment property: A net valuation loss of approximately RMB1,414 million on investment properties for the year was recognised by the Group, as compared with an increase in fair value of investment properties of approximately RMB312 million in 2021. This was mainly due to the overall weak macro-market performance in China, where the demand for commercial leasing decreased and the fair value of investment properties decreased.

Income tax: Income tax mainly comprises corporate income tax and land appreciation tax. The Company's income tax decreased by 62.9% from approximately RMB2,094 million in 2021 to approximately RMB776 million in 2022. This was mainly due to the decrease in income tax charged as a result of the decrease in income from property sales recognised during the year.

(Loss)/profit for the year: As a result of the foregoing, loss for the year amounted to approximately RMB7,819 million in 2022 (2021: profit of approximately RMB1,253 million).

Goodwill: The balance was arising from the premium on additional acquisition of 10% equity interests of Henan Central China Fujin Investment Company Limited (河南建業富居投資有限公司), a former joint venture of the Company, and the Company obtained control of the acquiree thereafter. At 31 December 2022, the Company has conducted an impairment review, and no impairment is required.

Financial resources and their utilisation: As at 31 December 2022, the Company's cash and cash equivalents and restricted bank deposits amounted to approximately RMB4,352 million (31 December 2021: approximately RMB9,848 million). The Company did not propose to distribute any final dividend in respect of 2022 (2021: approximately RMB65 million).

Structure of Borrowings and Deposits

The Company continued to adopt a prudent principle on financial management and centralise our funding and financial management in order to maintain a reasonable level of cash and borrowings. As at 31 December 2022, the repayment schedule of the Company's bank loans and other borrowings was as follows:

Repayment Schedule	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000
Bank loans		
Within one year	4,526,629	2,399,050
More than one year, but not exceeding two years	1,902,246	1,077,560
More than two years, but not exceeding five years	1,450,739	1,314,005
Exceeding five years	<u>166,400</u>	<u>159,000</u>
	<u>8,046,014</u>	<u>4,949,615</u>
Other loans		
Within one year	2,123,570	1,201,760
More than one year, but not exceeding two years	1,000	319,000
More than two years, but not exceeding five years	<u>–</u>	<u>1,000</u>
	<u>2,124,570</u>	<u>1,521,760</u>

Repayment Schedule	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000
Senior notes		
Within one year	6,234,757	3,160,096
More than one year, but not exceeding two years	5,470,544	5,685,348
More than two years, but not exceeding five years	1,785,468	6,623,194
	<u>13,490,769</u>	<u>15,468,638</u>
Total borrowings	<u>23,661,353</u>	<u>21,940,013</u>
Deduct:		
Cash and cash equivalents	(1,890,077)	(5,901,642)
Restricted bank deposits	(2,462,406)	(3,946,166)
Net borrowings	<u>19,308,870</u>	<u>12,092,205</u>
Total equity	<u>3,328,050</u>	<u>12,743,321</u>
Net gearing ratio (%)	<u>580.2%</u>	<u>94.9%</u>

Pledge of assets: As at 31 December 2022, we had pledged restricted bank deposits, completed properties, properties under development, properties available for future development, plants and equipment and equity interest in a joint venture with an aggregate carrying amount of approximately RMB18.279 billion (31 December 2021: approximately RMB8,957 million) to secure general bank credit facilities and other loans granted to us. We also pledged properties for sale with an aggregate carrying amount of approximately RMB652 million (31 December 2021: approximately RMB4,673 million) to secure loans granted to joint ventures.

Contingent liabilities: As at 31 December 2022, we had provided guarantees of approximately RMB54,694 million (31 December 2021: approximately RMB56,546 million) to banks in respect of the mortgage loans provided by the banks to customers who purchased the developed properties of the Company and our joint ventures. We also provided guarantees of approximately RMB1,708 million as at 31 December 2022 (31 December 2021: approximately RMB6,522 million) in respect of bank loans and other loans of joint ventures and associates.

Capital commitment: As at 31 December 2022, we had contractual commitments undertaken by subsidiaries of the Company, the performance of which was underway or ready, in respect of property development amounting to approximately RMB1,182 million (31 December 2021: approximately RMB18,033 million), and we had authorised, but not yet contracted for, a further approximately RMB106,619 million (31 December 2021: approximately RMB71,140 million) in other expenditures in respect of property development and capital investments.

Foreign exchange risk: Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 31 December 2022, our major non-RMB assets and liabilities are: (i) bank deposits denominated in H.K. dollar, and (ii) the senior notes denominated in U.S. dollar. We are subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in currencies other than RMB. We do not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. We will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. We currently do not use derivative instruments to hedge our interest rate risk.

Interest rate risk: The interest rate for a proportion of our loans were floating rate. The risk of upward fluctuation in interest rates will increase the interest cost of new and existing loans. We currently do not use derivatives to hedge the interest rate risk.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2022, the Group had 2,188 (2021: 2,976) employees. The Group implements remuneration policy, bonus and share option scheme to ensure that pay scales of its employees are rewarded on a performance related basis within the general framework of the Group's remuneration.

REVIEW OF OPERATIONS

(I) Market Review

1. The Macroeconomic Environment

I. Macro Analysis – The Overall Economic Trend

In 2022, the GDP of China will be RMB121 trillion with a growth rate of 3%. In the first quarter, the macro-economy continued the recovery momentum at the end of 2021, and the economy was generally stable. In the early second quarter, the national economy declined due to the impact of some unexpected factors; starting from the third quarter, the central and local governments started to implement a series of policies to stabilize the economy in a timely manner, so as to enable the economy to rebound despite the pressure.

II. Macro Analysis – Industry Scale Trend

In 2022, the GFA of properties sold amounted to 1,358.37 million sq.m., representing a decrease of 24.3% over the previous year. The property sales amounted to RMB13,330.8 billion, representing a year-on-year decrease of 26.7%; and the investment in the national property development was RMB13,289.5 billion, representing a decrease of 10.0% as compared with that of last year. Overall, due to the impact of the pandemic and the economic downturn, the national property development investment and sales are experiencing a greater downward trend.

III. Policy Research – Market Policy Trends

In 2022, the central government of China implemented differentiated policies in light of different situations to different cities, and the regulation was relaxed from tentative to full-scale. Near 600 property relaxing policies have been implemented throughout the year. Both supply and demand have been boosted to gradually stimulate the demand for housing purchases, and it is anticipated that there is still more room for policy optimization in the future.

IV. Market Trend Outlook in 2023

The Group has three assessments about the future market. First, the performance of the property market has bottomed out, but it will take a longer time to gradually recover; second, the government continues to introduce policies demonstrating that the property industry is a pillar industry, the stabilizing of the property market is inevitable, and the liquidity of the industry will continue to improve; third, in light of the upcoming recovery of the market, the Group will actively prepare for the historic opportunities.

2. The Property Market

In 2022, the overall property market in China would continue the downward pressure which carried over from last year, with industry confidence at a low level and insufficient market demand and purchasing power. The two politburo meetings of the central government of China gradually opened up some room for local policies to be implemented according to the respective situations of cities. Local policies were gradually relaxed. Near 600 property relaxing policies have been implemented throughout the year and, at the same time, the financing policies of property companies continued to be relaxed but the effect from the relaxing policies was not immediate. The scales of both property sold and investment in property development fell sharply. Under the policy of “guaranteed delivery” in the fourth quarter, the GFA of construction completion increased significantly, but the support for the overall scale of investment in property development was limited.

The area of properties sold in China amounted to 1,358.37 million sq.m., representing a year-on-year decrease of 24.3%; the property sales amounted to RMB13,330.8 billion, representing a year-on-year decrease of 26.7%; and the total investment in the property development in China reached RMB13,289.5 billion, representing a year-on-year decrease of 10.0%.

Under the general environment of national economic pressure and downturn in the property market, the property investment in Henan Province slowed down noticeably. Although stimulus policies continue to increase, the boost to the market throughout the year was relatively limited. The area of property sold in Henan Province amounted to 111.41 million sq.m., representing a year-on-year decrease of 16.1%; the property sales amounted to RMB672.5 billion, representing a year-on-year decrease of 22.3%; and the investment in the property development in the province reached RMB679.3 billion, representing a year-on-year decrease of 13.7%.

(II) Project Development

1. Property Development

(a) Property Sales Performance

During the reporting period, the contracted sales amount of the heavy assets of the Company was approximately RMB24,049 million, and the contracted GFA of heavy assets was approximately 3.449 million sq.m., a year-on-year decrease of 60.0% and 57.8% respectively. In terms of the contracted amount, the Company's market share in Henan Province in 2022 is 3.5%.

City	Contracted sales amount			Contracted GFA		
	<i>(RMB million)</i>			<i>('000 sq.m.)</i>		
	2022	2021	Change	2022	2021	Change
Zhengzhou	3,050	14,484	-79%	227	1,316	-83%
Kaifeng	333	1,998	-83%	39	294	-87%
Luoyang	2,149	9,074	-76%	224	1,066	-79%
Pingdingshan	593	740	-20%	97	109	-11%
Anyang	1,349	3,127	-57%	204	602	-66%
Hebi	732	1,953	-63%	118	357	-67%
Xinxiang	1,484	2,201	-33%	221	369	-40%
Jiaozuo	625	2,042	-69%	103	310	-67%
Puyang	1,347	2,709	-50%	199	391	-49%
Xuchang	1,041	1,147	-9%	187	168	11%
Luohe	800	1,901	-58%	135	278	-51%
Sanmenxia	245	637	-62%	49	102	-52%
Shangqiu	4,192	5,917	-29%	659	996	-34%
Zhoukou	1,944	3,525	-45%	337	510	-34%
Zhumadian	1,448	2,772	-48%	233	462	-50%
Nanyang	923	1,587	-42%	136	227	-40%
Xinyang	1,089	2,960	-63%	196	460	-57%
Jiyuan	363	890	-59%	37	127	-71%
Hainan	342	441	-22%	48	22	118%
Total	<u>24,049</u>	<u>60,105</u>	<u>-60%</u>	<u>3,449</u>	<u>8,166</u>	<u>-58%</u>

(b) *Newly Commenced Property Projects*

As of 31 December 2022, the Company commenced the construction of 17 projects in total with newly commenced GFA of 1,638,000 sq.m. The Company strengthened the efforts in market research and optimised product plans based on the customers distribution and estimated sales. This helped the Company to further enhance its product competitiveness and market performance, and contributed to a safe and reasonable inventory structure.

City	Project name	Principal use of property	GFA commenced during the year (sq.m.)
Zhengzhou	Junlin Grand Courtyard Bamboo Court	Residential	197,245
Anyang	Anyang Jianye City (Phase 4)	Residential	150,261
Hebi	Hebi Longmen No.7 Courtyard	Residential	51,297
Xinxiang	Hui County Gongcheng Dongwang	Residential	28,409
Xinxiang	Xinxiang Jianye Mansion	Residential	24,932
Xinxiang	Xinxiang Dongjing Mansion	Residential	120,939
Puyang	Puyang Sky Mansion (Phase 2)	Residential	185,176
Xuchang	Change Sweet-Scented Osmanthus Garden New City (Phase 2)	Residential	27,593
Shangqiu	Shangqiu Art Mansion	Residential	67,444
Shangqiu	Shangqiu Binhe Art Mansion	Residential	138,339
Shangqiu	Yongcheng Lianmeng Dongwang	Residential	144,763
Zhoukou	Huaiyang Binhe North Courtyard (Phase 2)	Residential	89,312
Zhoukou	Taikang Jianye Mansion	Residential	146,681
Zhumadian	Xiping Spring Time (Phase 2)	Residential	14,414
Zhumadian	Zhumadian Chinoiserie Palace (Phase 3)	Residential	137,842
Xinyang	Gushi Jianye Mansion	Residential	53,565
Hainan	Chengmai Zhonghe Jiayuan (Phase 2)	Residential	60,270
Total			<u>1,638,483</u>

(c) *Property Projects under Development*

As of 31 December 2022, the Company had 184 projects under development with a total GFA of approximately 28,325,000 sq.m., including 24 projects under development in Zhengzhou, 157 projects under development in other cities of Henan Province and 3 projects under development in Hainan.

City	Project name	Principal use of property	GFA under development (sq.m.)
Zhengzhou	Dengfeng Songyue Mansion	Residential	194,554
Zhengzhou	Gongyi CCRE Mall	Residential	37,775
Zhengzhou	Gongyi Spring Time	Residential	231,872
Zhengzhou	Gongyi Chinoiserie Palace	Residential	160,870
Zhengzhou	Zhengzhou Financial Island	Commercial	838,863
Zhengzhou	Zhengzhou CCRE Tihome International City	Residential	1,204,319
Zhengzhou	Xinmi Spring Time	Residential	74,639
Zhengzhou	Xinmi Code One City	Residential	81,159
Zhengzhou	Xinzheng Blue Ocean Zhengfeng	Residential	176,441
Zhengzhou	Xinzheng Tianhui City	Residential	152,455
Zhengzhou	Rongyang Central Garden	Residential	178,264
Zhengzhou	Zhengxi U-Town	Residential	149,415
Zhengzhou	Zhengzhou J18	Commercial	594,289
Zhengzhou	Zhengzhou Chengyuan	Residential	227,175
Zhengzhou	Zhengzhou Spring Time	Residential	52,185
Zhengzhou	Zhengzhou Riverside House	Residential	252,495
Zhengzhou	Zhengzhou Huayuankou resettlement area	Residential	293,154
Zhengzhou	Zhengzhou Blossom Garden	Residential	576,190
Zhengzhou	Zhengzhou Junlin Grand Courtyard	Residential	560,979
Zhengzhou	Zhengzhou Intelligent Square	Commercial	230,205
Zhengzhou	Zhengzhou Intelligent Palace	Residential	15,238
Zhengzhou	Zhengzhou Royal Mansion	Residential	221,557
Zhengzhou	Zhengzhou Art Mansion	Residential	352,303
Zhengzhou	Zhengzhou Wonderland	Residential	134,829
Kaifeng	Lankao CCRE Mall	Residential	99,109
Kaifeng	Lankao Red World	Commercial	135,312
Kaifeng	Tongxu Jianye City	Residential	113,712
Kaifeng	Tongxu Code One City	Residential	168,761
Kaifeng	Kaifeng Taihe Mansion	Residential	67,896

City	Project name	Principal use of property	GFA under development (sq.m.)
Luoyang	Luanchuan Luanzhou Palace	Residential	78,651
Luoyang	Luoyang Binhelong House	Residential	146,970
Luoyang	Luoyang Dachengxiaoyuan	Residential	146,814
Luoyang	Luoyang Dingding Palace	Residential	669,467
Luoyang	Luoyang Code Two City	Residential	244,474
Luoyang	Luoyang Fengdu	Residential	154,414
Luoyang	Luoyang Technology City	Residential	62,262
Luoyang	Luoyang Longcheng Dongwang	Residential	102,549
Luoyang	Luoyang Zhongzhou Mansion	Residential	124,279
Luoyang	Luoyang Honour Mansion	Residential	112,199
Luoyang	Yichuan Dragon Mansion	Residential	117,595
Luoyang	Luoyang Zhonghong City	Residential	319,208
Luoyang	Luoyang Longshang Court	Residential	26,637
Pingdingshan	Pingdingshan Spring Time	Residential	240,502
Pingdingshan	Pingdingshan Guangming Mansion	Residential	138,374
Pingdingshan	Pingdingshan Eighteen Cities	Residential	64,518
Pingdingshan	Pingdingshan Honour Mansion	Residential	105,813
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden	Residential	42,250
Pingdingshan	Wugang CCRE Mall	Residential	29,496
Pingdingshan	Wugang Forest Peninsula	Residential	160,881
Anyang	Anyang Phoenix City North Bank	Residential	257,353
Anyang	Anyang Sweet-Scented Osmanthus Garden	Residential	60,497
Anyang	Anyang Jianye City	Residential	509,605
Anyang	Anyang Junlin Grand Courtyard	Residential	77,830
Anyang	Anyang Chinoiserie Palace North Garden	Residential	303,541
Anyang	Anyang Sky Mansion	Residential	71,078
Anyang	Anyang Tonghe Palace	Underground	9,707
Anyang	Anyang Code One City	Residential	24,642
Anyang	Linzhou Jianye City	Residential	178,176
Anyang	Tangyin Central Garden	Residential	143,968
Hebi	Hebi Chinoiserie Palace	Residential	224,546
Hebi	Hebi Code One City	Residential	92,187
Hebi	Hebi Zhenyuehui	Commercial	770
Hebi	Hebi Longmen No.7 Courtyard	Residential	201,303
Hebi	Hebi Flower Creek Town	Residential	137,118
Hebi	Qi County Jianye City	Residential	139,140

City	Project name	Principal use of property	GFA under development (sq.m.)
Hebi	Hebi Taihe Mansion	Residential	121,229
Xinxiang	Beverly Manor	Residential	94,190
Xinxiang	Fengqiu Central Garden	Residential	89,278
Xinxiang	Hui County Gongcheng Dongwang	Residential	303,765
Xinxiang	Hui County Code One City	Residential	187,800
Xinxiang	Weihui Spring Time	Residential	206,449
Xinxiang	Xinxiang Blossom Garden	Residential	108,774
Xinxiang	Xinxiang Chinoiserie Palace	Residential	506,241
Xinxiang	Changyuan Forest Peninsula Courtyard	Residential	40,026
Xinxiang	Xinxiang Jianye Mansion	Residential	202,020
Xinxiang	Xinxiang Honour Mansion	Residential	54,577
Xinxiang	Xinxiang Dongjing Mansion	Residential	120,939
Jiaozuo	Bo'ai Spring Time	Residential	145,584
Jiaozuo	Jiaozuo Spring Time	Residential	20,512
Jiaozuo	Jiaozuo Chinoiserie Palace	Residential	45,772
Jiaozuo	Jiaozuo Jianye Mansion	Residential	136,618
Jiaozuo	Mengzhou Jianye Mansion	Residential	110,791
Jiaozuo	Wuzhi Majestic Mansion	Residential	177,787
Jiaozuo	Wuzhi Star Mall	Residential	120,481
Jiaozuo	Jiaozuo Shuxiang Yard	Residential	110,000
Puyang	Puyang Jianye New City	Residential	13,013
Puyang	Puyang Longcheng	Residential	365,455
Puyang	Puyang Puyuan	Residential	92,031
Puyang	Puyang Chinoiserie Palace	Residential	237,571
Puyang	Puyang Tonghe House	Residential	40,328
Puyang	Puyang Code One City	Residential	141,559
Puyang	Puyang Zhenyuehui	Residential	62,572
Puyang	Taiqian Jianrun House	Residential	159,556
Puyang	Puyang Sky Mansion	Residential	407,457
Xuchang	Xiangcheng CCRE Mall	Residential	247,000
Xuchang	Xuchang Pleasure Garden	Residential	225,670
Xuchang	Xuchang Zhenyuehui	Residential	73,447
Xuchang	Yanling Eco-City	Residential	132,885
Xuchang	Yuzhou Spring Time	Residential	40,914
Xuchang	Yuzhou Dachengxiaoyuan	Residential	58,140
Xuchang	Changge Sweet-Scented Osmanthus Garden New City	Residential	104,771
Xuchang	Changge Forest Eco-City	Residential	26,215

City	Project name	Principal use of property	GFA under development (sq.m.)
Luohe	Linying Forest Peninsula	Residential	113,581
Luohe	Luohe Danjiang House	Residential	80,081
Luohe	Luohe Sweet-Scented Osmanthus Garden	Residential	98,665
Luohe	Luohe Blossom Garden	Residential	223,468
Luohe	Luohe Xicheng Forest Peninsula	Residential	185,705
Luohe	Luohe Longhushuxiang Mansion	Residential	260,995
Luohe	Luohe Art Mansion	Residential	229,101
Luohe	Luohe Ideal City	Residential	134,846
Sanmenxia	Sanmenxia New District Forest Peninsula	Residential	78,748
Sanmenxia	Sanmenxia Honour Mansion	Residential	70,564
Sanmenxia	Yima Chinoiserie Palace	Residential	213,509
Shangqiu	Shangqiu Chengyuan	Residential	64,460
Shangqiu	Shangqiu Future City	Residential	31,347
Shangqiu	Shangqiu Art Mansion	Residential	300,673
Shangqiu	Xiayi Jianye City	Parking space	31,716
Shangqiu	Yucheng Hill Water Lake City	Residential	190,923
Shangqiu	Zhecheng Lianmeng Dongwang	Residential	83,747
Shangqiu	Shangqiu Chinoiserie Palace	Residential	147,377
Shangqiu	Minquan Long Palace	Residential	148,434
Shangqiu	Shangqiu Jiangshan House	Residential	102,954
Shangqiu	Shangqiu Shangheyuan	Residential	70,982
Shangqiu	Shangqiu Jianye Country Garden Yuelong Mansion	Residential	211,059
Shangqiu	Yongcheng Lianmeng Dongwang	Residential	144,763
Zhoukou	Fugou Jianye New City	Residential	34,789
Zhoukou	Huaiyang CCRE Mall	Residential	58,159
Zhoukou	Luyi Jianye City	Residential	11,831
Zhoukou	Luyi Mingdao City	Residential	7,234
Zhoukou	Shangshui Yangcheng Courtyard	Residential	15,311
Zhoukou	Taikang Eco-City	Residential	59,465
Zhoukou	Xihua Central Garden	Residential	15,206
Zhoukou	Xihua Jicheng Courtyard	Residential	30,103
Zhoukou	Xiangcheng Jianye City	Residential	30,298
Zhoukou	Huaiyang Binhe Courtyard	Residential	299,027
Zhoukou	Huaiyang Binhe North Courtyard	Residential	89,312
Zhoukou	Zhoukou Jianye City	Residential	369,747
Zhoukou	Zhoukou Hill Water Lake City	Residential	307,303
Zhoukou	Zhoukou Chinoiserie Palace	Residential	214,172

City	Project name	Principal use of property	GFA under development (sq.m.)
Zhoukou	Zhoukou Shiyue Mansion	Residential	35,319
Zhoukou	Fugou Jianye New City	Residential	140,524
Zhoukou	Sweet-Scented Osmanthus Garden New City	Residential	39,317
Zhoukou	Zhoukou Canal Ancient Town	Commercial	24,523
Zhoukou	Zhoukou Canal Yard	Residential	79,342
Zhoukou	Zhoukou Guandi Temple	Commercial	14,896
Zhoukou	Taikang Jianye Mansion	Residential	304,360
Zhumadian	Suiping Jianye City	Residential	35,493
Zhumadian	Suiping Forest Peninsula	Residential	40,386
Zhumadian	Xiping Spring Time	Residential	14,414
Zhumadian	Xincai CCRE Mall	Residential	7,075
Zhumadian	Xincai Sweet-Scented Osmanthus Garden	Residential	60,148
Zhumadian	Zhengyang Jianye City	Parking space	38,433
Zhumadian	Zhumadian Binhelong Palace	Parking space	39,200
Zhumadian	Zhumadian Spring Time	Residential	219,061
Zhumadian	Zhumadian Chinoiserie Palace	Residential	335,682
Zhumadian	Zhumadian The West Lake Villa	Residential	34,312
Zhumadian	Zhumadian Honour Mansion	Residential	151,330
Zhumadian	Shangcai Jianye Mansion	Residential	111,003
Zhumadian	Zhumadian Boshan House	Residential	131,407
Zhumadian	Suiping Jianye Mansion	Residential	162,998
Zhumadian	Pingyu Jiangshan House	Residential	96,232
Nanyang	Nanyang Longyue City	Residential	163,281
Nanyang	Nanyang Art Mansion	Residential	101,098
Nanyang	Xixia Central Garden	Residential	13,738
Nanyang	Dengzhou Qingyunli	Residential	124,448
Nanyang	Nanyang Shilihushan	Residential	54,562
Xinyang	Gushi Future City	Residential	142,146
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden	Residential	22,660
Xinyang	Huangchuan Huangguo Palace	Residential	173,542
Xinyang	Xi County Jianye New City	Residential	111,825
Xinyang	Xinyang Mansion	Residential	365,110
Xinyang	Xinyang Jianye City	Residential	113,634
Xinyang	Luoshan Jianye Mansion	Residential	130,480
Xinyang	Gushi Jianye City	Residential	84,013
Xinyang	Huaibin Huaihe Courtyard	Residential	130,935

City	Project name	Principal use of property	GFA under development (sq.m.)
Xinyang	Xinyang Sky Mansion	Residential	79,615
Xinyang	Huangchuan Dingchengfu	Residential	156,543
Jiyuan	Jiyuan Spring Time	Residential	19,288
Jiyuan	Jiyuan Blossom Garden	Residential	127,011
Jiyuan	Jiyuan Jianye City	Residential	314,958
Jiyuan	Jiyuan Code One City Majestic Mansion	Residential	64,094
Hainan	Chengmai Zhonghe Jiayuan	Residential	59,072
Hainan	Danzhou Junlin Grand Courtyard	Residential	95,372
Hainan	Dongfang Jiayuan	Residential	<u>376,637</u>
Total			<u><u>28,325,420</u></u>

(d) *Property Projects Delivered*

As of 31 December 2022, the Company had 63 projects delivered in total with a total GFA of approximately 5,744,000 sq.m.

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Kaifeng	Tongxu Code One City (Phase 1)	Residential	78,136
Luoyang	Luoyang Luanzhou Palace Group No. 2	Residential	53,958
Luoyang	Luoyang Dingding Palace (Phase 3)	Residential	80,911
Luoyang	Luoyang Longcheng Dongwang (Phase 2)	Residential	26,793
Luoyang	Luoyang Dachengxiaoyuan (Phase 1)	Residential	74,472
Luoyang	Yichuan Dragon Mansion (Phase 1)	Residential	120,999
Luoyang	Luoyang Binhelong House (Phase 1)	Residential	90,453
Pingdingshan	Wugang Forest Peninsula (Phase 5)	Residential	82,241
Pingdingshan	Pingdingshan Eighteen Cities (Phase 4)	Residential	51,955
Anyang	Anyang Sweet-Scented Osmanthus Garden (East Mansion) (Phase 3)	Residential	72,835
Anyang	Anyang Code One City (Phase 1)	Residential	96,328
Anyang	Anyang Tonghe Palace (Phase 1)	Residential	208,935
Hebi	Hebi Zhenyue (Phase 1)	Residential	105,062
Hebi	Hebi Tonghe Mansion (Phase 1)	Residential	104,852
Xinxiang	Xinxiang Chinoiserie Palace	Residential	57,386
Xinxiang	Changyuan Forest Peninsula Courtyard (Phase 1)	Residential	151,896
Jiaozuo	Jiaozuo Chinoiserie Palace (Phase 2)	Residential	43,929
Jiaozuo	Jiaozuo Spring Time (Phase 2)	Residential	33,876
Jiaozuo	Bo'ai Spring Time (Phase 2)	Residential	45,933
Puyang	Puyang Jianye New City (Phase 4)	Residential	94,585
Puyang	Puyang Zhenyuehui	Commercial	7,996
Puyang	Puyang Puyuan (Phase 1)	Residential	57,149
Xuchang	Xuchang Chinoiserie Palace (Phase 3)	Residential	57,706
Xuchang	Xuchang Zhenyuehui (Phase 1)	Residential	82,700
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	6,963
Xuchang	Yuzhou Dachengxiaoyuan (Phase 1)	Residential	26,000
Xuchang	Xiangcheng CCRE Mall (Phase 1)	Residential	33,245
Xuchang	Yanling Eco-City (Phase 3)	Residential	23,500
Xuchang	Yuzhou Spring Time (Phase 1)	Residential	57,072

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Luohe	Luohe Xicheng Forest Peninsula (Phase 3)	Residential	22,249
Luohe	Linying Forest Peninsula (Phase 1)	Residential	34,041
Luohe	Luohe Sweet-Scented Osmanthus Garden (West)	Commercial	45,868
Shangqiu	Shangqiu Eighteen Cities (Phase 6)	Residential	187,000
Shangqiu	Xiayi Jianye City (Phase 1)	Residential	221,716
Shangqiu	Shangqiu Chengyuan (Phase 1)	Residential	117,444
Shangqiu	Minquan Tianming Happy Place (Phase 1)	Residential	140,144
Shangqiu	Yucheng Hill Water Lake City (Phase 1)	Residential	147,770
Shangqiu	Sui County Shangheyuan (Phase 1)	Residential	106,112
Shangqiu	Shangqiu Future City (Phase 1)	Residential	84,168
Shangqiu	Shangqiu Yuelong Mansion (Phase 1)	Residential	71,514
Zhoukou	Luyi Jianye City (Phase 90)	Residential	86,312
Zhoukou	Fugou Jianye New City (Phase 1)	Residential	56,727
Zhoukou	Zhoukou Chinoiserie Palace (Phase 2)	Residential	112,941
Zhoukou	Taikang Happy Place East Garden	Residential	130,193
Zhumadian	Xincai Sweet-Scented Osmanthus Garden (Phase 1)	Residential	14,913
Zhumadian	Xiping Spring Time (Phase 1)	Residential	106,560
Zhumadian	Zhumadian Spring Time (Phase 2)	Residential	226,300
Zhumadian	Zhengyang Jianye City (Phase 2)	Residential	101,655
Zhumadian	Xincai CCRE Mall (Phase 1)	Residential	23,094
Zhumadian	Zhumadian Binhelong Palace (Phase 1)	Residential	136,012
Zhumadian	Pingyu Central Garden (Phase 1)	Residential	122,145
Zhumadian	Zhumadian Chinoiserie Palace (Phase 1)	Residential	265,700
Zhumadian	Suiping Jianye City (Phase 1)	Residential	109,400
Zhumadian	Runan Jianye City (Phase 2)	Commercial	12,196
Nanyang	Nanyang Art Mansion (Phase 1)	Residential	88,000
Nanyang	Xixia Central Garden (Phase 1)	Residential	28,817
Nanyang	Nanyang Central Garden (Phase 1)	Residential	47,118
Nanyang	Nanyang Longyue City (Phase 1) (Phase 2)	Residential	493,460
Xinyang	Xinyang Jianye City (Phase 2)	Residential	79,996
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden (Phase 1)	Residential	92,710
Jiyuan	Jiyuan Jianye City (East)	Residential	84,273

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Jiyuan	Jiyuan Spring Time (Phase 1)	Residential	98,014
Hainan	Chengmai Zhonghe Jiayuan (Phase 1)	Residential	21,164
			<hr/>
Total			<hr/> <hr/> 5,743,591

2. *Hotel*

Hotel profile

Henan Jianye Zhizun Hotel Investment Co., Ltd. (河南建業至尊酒店管理有限公司), a wholly-owned subsidiary of Central China Real Estate Group (China) Company Limited, is mainly responsible for brand management, design management, engineering management, opening preparation and operation management for all hotel projects of the Group. Currently, the Group has established strategic cooperation with various international well-known groups of hotel management, such as Marriott, InterContinental and Accor, under which five high-end hotel projects are in operation. The five high-end hotel projects, namely Le Méridien Zhengzhou, Pullman Kaifeng Jianye, Holiday Inn Nanyang, Four Points by Sheraton Luohe and Aloft Zhengzhou Shangjie commenced operations successively from 2011 to 2015. In addition, our own brand hotels, namely Yanling Jianye The Mist Hot Spring Hotel, Zhengzhou Jianye Sky Mansion, Unique Theatre Hotel, Xuchang Shenhou Town • Jianye Starry Hills, Xinyang Jigongshan • Jianye Starry Hills and Xijian Inn (喜見客棧) opened successively from 2018 to 2021. In addition, another four hotels in our own brand, namely, Pingdingshan Jianye Triumph Hotel, Zhumadian Jianye Triumph Hotel, Yunxiu Hotel, Linqi Hotel and Wugang Jianye Starry Hotel are all under construction. Our total investment in hotels has reached RMB4.94 billion up to now, and the number of hotels invested in Henan has reached 16.

Le Méridien Zhengzhou

Le Méridien Zhengzhou opened on 30 November 2013. It is the first international brand hotel focusing on art, design and culture in central China. Adjacent to Zhengdong New District and Zhengzhou East Railway Station, the largest railway station in Asia, and it is located at the intersection site of Zhengzhou Metro, Line 3 and Line 4, it being only a 10 minutes' and 28 minutes' drive to Zhengzhou International Convention and Exhibition Centre and Xinzheng International Airport, respectively.

Located at No. 1188, Zhongzhou Avenue, Zhengzhou City, the hotel composes a complete integrated business district with the surrounding shopping malls, restaurants and commercial office buildings. Modern art elements and local features are integrated into the design of the restaurant, guest rooms and lobby in the hotel. The unique design and brand concept distinguish the distinctive Le Méridien Zhengzhou.

The hotel has a total of 337 deluxe rooms and suites, equipped with world-class facilities and a mix of classic design and fashion elements. The feature restaurants and bars will further enrich the stay experience and provide splendid Chinese and international cuisines. The fitness center combining fitness, spa, swimming pool, yoga and jogging track, the sizeable pillarless banquet covering an area of 800 sq.m., and 8 multi-function halls in the hotel, are all ideal places for relaxing and hosting events.

Address: No. 1188, Zhongzhou Avenue (northwest corner of the junction of Zhengbian Road and Zhongzhou Avenue), Zhengzhou City

Tel: 0371-55998888

Aloft Zhengzhou Shangjie

Aloft Zhengzhou Shangjie opened on 6 August 2011. Located on the opposite of the District Government of Shangjie District, Zhengzhou City, Henan Province, the hotel is conveniently situated, within only 50 minutes' and one hour's drive from Zhengzhou Railway Station and Zhengzhou Xinzheng International Airport, respectively.

The 16-floor hotel has 172 stylish, fresh and fun Aloft Cheerful Rooms (樂窩客房), including 8 deluxe Cheerful Suites (樂窩套房) and 2 accessible Cheerful Rooms. Besides, inspired by the 9-foot ceiling, velvety dreaming beds, Wi-Fi Internet service, 42-inch LCD TVs, oversized shower space with rain showers, and fragrant specialty coffee, the 3,698 sq.m. cool conference room and the sizeable banquet space, countless whimsies would spark within.

Address: No. 101, Zhongxin Road, Shangjie District, Zhengzhou (opposite to the District Government of Shangjie District)

Tel: 0371-68136666

Holiday Inn Nanyang

Holiday Inn Nanyang opened on 8 August 2012. It is located in Nanyang, the ancient capital of China, which is famous for its natural fresh air and jade culture. Holiday Inn Nanyang is the first internationally renowned five-star hotel in Nanyang. Covering an area of 66,700 sq.m., the hotel has a favorable geographical location with pleasant garden landscape and a rippling lake.

The 353 guestrooms and suites are tailor-made for occupants' luxury and comfort experience. The 1,000 sq.m. sizeable banquet hall offers banquet services to both local and international companies, with wireless internet accessing to all areas of the hotel, including the fitness center and the swimming pool. Whether on vacation, planning a wedding or holding a meeting, Holiday Inn Nanyang is the perfect choice for occupants.

Address: No. 2000, Xincheng Road East, Wancheng District, Nanyang City

Tel: 0377-60218888

Four Points by Sheraton Luohe

Four Points by Sheraton Luohe opened on 29 November 2012. It is located by the west branch of Songshan Road, Yancheng District, Luohe City, adjacent to Luohe International Convention and Exhibition Centre. It is about a 10 minutes' drive to the downtown and Luohe Railway Station, and only 90 minutes' drive to Zhengzhou Xinzheng International Airport.

The hotel has 244 warmly designed rooms, with the only international buffet restaurant in the city, namely The Eatery (宜客樂), a Chinese restaurant integrated with traditional and new Cantonese cuisine, namely Juweixuan (聚味軒), an indoor heated swimming pool, sauna equipment, a fitness centre, chess rooms and a pillarless banquet hall, which can bring occupants infinite surprises of accommodation, catering and leisure.

Address: No. 6, west branch of Songshan Road, Yancheng District, Luohe City
Tel: 0395-2566999

Pullman Kaifeng Jianye

Pullman Kaifeng Jianye opened on 1 November 2015. Embraced by the rippling surface of a lake, Pullman Kaifeng Jianye is located on the northwest side of the ancient city walls in downtown Kaifeng, within 10 minutes' drive from Kaifeng Railway Station and 50 minutes' drive from Xinzheng International Airport. The hotel covers a total GFA of 43,536 sq.m. and a site area of approximately 58,300 sq.m., with the vegetation within the city wall area having been preserved.

Pullman Kaifeng Jianye offers 186 guest rooms and is a five-star resort hotel comprising business conference, food & beverage, accommodation, leisure and entertainment. The hotel is equipped with conference centre, banquet centre, all-day dining restaurant, Chinese restaurant, featured bar, lobby bar, executive lounge, gym, swimming pool, SPA, yoga room, indoor golf and other facilities to provide occupants with "convenience and sense of superiority". The building is a post-modern architecture in Northern Song Dynasty style, adopting wood-like exterior finishing material to cast beautiful reflections in the blue lakes.

Address: No. 16, Longting North Road, Longting District, Kaifeng City
Tel: 0371-23589999

Zhengzhou Jianye Sky Mansion

Zhengzhou Jianye Sky Mansion opened on 1 October 2018. It is located at the northwest corner of the intersection of Dongfeng East Road and Kangning Street in Zhengzhou City. It gathers three city centers within 3 kilometers, namely the CBD Central Business District, the new provincial government and Zhengzhou East High Speed Railway Station. The hotel covers a total GFA of 34,251.8 sq.m.

The project is featured as a high-end service apartment of CCRE with a total of 302 sets of rooms, ranging from bachelor apartments to four-bedroom apartments. The apartment is equipped with all-day dining restaurant, Japanese Izakaya, gym center, children's play room and other facilities providing occupants with safe, convenient, warm and comfortable living space.

Address: Block 9, 58 Kangning Street, Zhengzhou City

Tel: 0371-65686888

Yanling Jianye The Mist Hot Spring Hotel

Yanling Jianye The Mist Hot Spring Hotel opened on 1 February 2018. It is located at Chenhuadian Town, Yanling County, Xuchang, Henan Province, covering an area of 50,264 sq.m..

The hotel is a joint masterpiece of Amata Luphaiboon and Twitee Vajrabhaya Teparkum who are both internationally renowned architects. The hotel offers 51 guest rooms and is equipped with all-day dining restaurant, Chinese restaurant, outdoor hot spring and pool, indoor swimming pool and pool, SPA, gym center, lobby bar, tea room, banquet hall and other facilities.

Address: North side of Huadu Avenue, Chenhuadian Town, Yanling County,
Xuchang City, Henan Province

Tel: 0374-7968888

Xuchang Shenhou Town • Jianye Starry Hills

Xuchang Shenhou Town, “Capital of Jun Porcelain in China”, is one of the first batch of characteristic towns in China, and Jun Porcelain produced during the reign of Emperor Huizong of the Northern Song Dynasty was designated as “Treasures of the Royal Court”. Xuchang Shenhou Town • Jianye Starry Hills is our first Starry Hills brand theme characteristic hotel, which opened on 1 October 2019.

Relying on the Jun porcelain culture and historical heritage of Shenhou Town, Xuchang Shenhou Town • Jianye Starry Hills is committed to creating an immersive stay experience of Jun porcelain art. While integrating into the local area, residents have the opportunity to personally touch the developing sequence of Jun porcelain by learning and making porcelain. In addition to 30 comfortable guest rooms, the hotel is equipped with restaurants, book bars, tea rooms and living rooms, providing customers with a comfortable space to empty their minds and have a dialogue with history.

Address: Beside Dongda Primary School, Jianshe Road, Shenhou Town, Yuzhou City, Henan Province

Tel: 0374-8616999/0374-8618999

Xinyang Jigongshan • Jianye Starry Hills

Jigongshan Mountain, Xinyang, one of the four summer resorts in China, is located on the northsouth boundary of China, and is known as “Greenness Dividing Chu (Hubei Province) and Yu (Henan Province)”. It is grand and magnificent while beautiful, making it an excellent choice for sightseeing and vacation.

Xinyang Jigongshan • Jianye Starry Hills opened on 1 July 2020. It is located at the mountainside of Jigongshan Mountain of Xinyang, adjacent to the “villa-clusters of multi countries” built from the late Qing Dynasty to the early Republic of China. The hotel has a panoramic view of the beautiful mountains, and provides a space for guests to have a rest and imagination while viewing different architectural styles and exploring history, thus interpreting the brand idea of “living next to the stars and doing what you want”.

The 89 guest rooms, together with restaurants, conference rooms, shared spaces and mahjong rooms, can meet various holiday needs of individuals, groups, parents and children, and provide experience of the comfortable life of viewing mountains, knowing mountains and enjoying mountains.

Address: Beside Zhongzheng Plaza, Jigongshan Scenic Area, Shihe District, Xinyang City, Henan Province

Tel: 0376-8658888

Unique Theatre Hotel

Zhengzhou Jianye Unique Theatre Hotel opened on 5 June 2021. The hotel has a total of 400 cozy and tasteful guest rooms, including comfortable rooms, exquisite rooms, family rooms and suites, 2 full-day restaurants, 1 Chinese restaurant, gyms, Treasure Park and foot health centre.

The hotel is located at Zhongmu County, Zhengzhou, adjacent to Unique Henan Land of Dramas. It takes only 10 minutes' drive from Jianye Huayi Brothers Movie Town and International Cultural and Creative Industry Park in Zhengzhou, and about 40 minutes' drive from Zhengzhou East High Speed Railway Station and Xinzheng International Airport. It is the first theme hotel in Jianye cultural tourism section. Unique Henan Land of Dramas is the first panoramic and fully immersive drama theme park in China, which was co-developed by CCRE and director Wang Chao. Therefore, the customers will experience of "living in the drama" and the opportunity to get a closer look at the splendid Central China in Unique Theatre Hotel.

Address: The northeast corner of intersection of Wenxin Road and Ping'an Avenue, Zhongmu County, Zhengzhou, Henan Province

Tel: 0371-86568888

Xijian Inn

Xijian Inn opened on 21 September 2019. The inn is located in Taiji Street, Jianye•Huayi Brothers Film Town Park, and belongs to the “Xijian” brand operated by Jianye. “Xijian” comes from the Tang Dynasty poet Liu Yuxi’s work: “Suddenly hearing the arrival of a horse, I am happy to see an old friend coming”, meaning that when guests come here, there will be a kind of joy like meeting an old friend, which is also in line with the theme of “living in a movie”. The inn is divided into four different types, namely the Jianghu style “One Night in Jianghu”, the mountain style “Qingshan Hou”, the Republic of China style “Crescent Moon House”, and the opera style “West Wing”. The area of One Night in Jianghu is 760 sq.m.; the area of Qingshan Hou is 615 sq.m.; the area of Crescent Moon House is 1,537 sq.m.; the area of the West Wing is 1,840 sq.m., with a total construction area of 4,752 sq.m. There are 67 guest rooms and 76 beds, which can accommodate 136 people.

During daytime, customers can eat, watch operas and visit folk customs, leaving an unforgettable movie memory; at night, customers can stay at the four themed inns and experience scene-based accommodation. The 24-hour butler service brings a unique sense of customization to customers. The superb hardware facilities provide home-like comfort.

Address: Jianye Huayi Brothers Movie Town at the intersection of Wenchuang Road and Baihua Street, Zhongmu County, Zhengzhou City, Henan Province
Tel: 0371-62168000

Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel (Under Construction)

Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel are CCRE's own brand hotels, both of which are standard hotels built by Henan Jianye Zhizun Hotel Investment Co., Ltd. Pingdingshan Hotel is also the representative of our standard hotel construction of Jianye. There are 161 guest rooms in each of Pingdingshan and Zhumadian hotels, which are equipped with banquet halls, all-day restaurants, conference rooms, gyms and other service facilities to meet the needs of business travelers. The two hotels are expected to open in the second half of 2024.

Yunxiu Hotel (Under Construction)

Zhengzhou Jianye Yunxiu Hotel is located in Zhengzhou International Cultural and Creative Industry Park. Designed by Oki Sato, founder of Nendo, it is the world premiere hotel work of Nendo.

Nendo draws inspiration from Henan's characteristic geographical and cultural elements, such as caves and Longmen Grottoes. With the help of stacks, shadows, hollows and layers of caves, Nendo develops architectural textures in various areas of the hotel, which makes the hotel full of sense of sculpture, sense of light and shadow and threedimension effect. When guests live in it, they seem to be accompanied by wind, light and fog, so they can feel the rich gifts of nature and start a rare journey of art design.

The hotel has 231 guest rooms, which are equipped with Xiu cafe, Qingfeng Chinese Restaurant, Xiuju Japanese Restaurant, Ciao Bella Italian Restaurant, Sky Terrace Hotel, Yunshang Swimming Fitness Center and other sound facilities. It is a luxury art design hotel integrating business conference, food & beverage, accommodation, leisure and entertainment. The hotel is expected to open in December 2024.

Linqi Hotel (Under Construction)

Zhengzhou Jianye Linqi Hotel is located beside Zhengzhou Navigation Stadium, adjacent to the super high-rise Jianye headquarters office building and Jianye Exhibition Hall under construction. The hotel is designed by Amata Luphaiboon, a well known architect and designer of Six Senses Samui on Samui Island. The hotel draws inspiration from nature, integrates the concepts of trees and forest shade into architectural design, and advocates that residents living in it enjoy relaxation through the senses like perching in the forest, feel the process of life growth and rest, and experience the inner nature.

The main body of the hotel is an ultra-modern low density building with 5 floors above the ground, with 177 guest rooms, equipped with full-time restaurants, lobby bars, outdoor bars, conference rooms, gyms, swimming pools, etc. The hotel is committed to interpreting the aesthetic impression and living experience of Henan with the world-class design and pure courtesy of Central China. The hotel is expected to open in July 2027.

Wugang Jianye Starry Hills Hotel (Under construction)

Wugang Jianye Starry Hills Hotel is located at the southwest corner of Tieshan Avenue and Wenzhou Road. The main body of the hotel is integrated with Baicheng Tiandi business. It has 9 floors and 87 guest rooms. The first to second floors are the hotel lobby, and the third to ninth floors are guest rooms. It abandons the traditional monotonous hotel space and creates a stylish hotel public area and private space. After going downstairs, it is Baicheng Tiandi Commercial Street, which meets the needs of hotel guests for food, accommodation and transportation. The hotel is expected to open in September 2024.

3. Cultural tourism

Cultural tourism sector of the Company is engaged in development and operation of property projects for cultural tourism principally located in historic in Henan Province, such as Zhengzhou, Kaifeng and Luoyang. With rich history, culture and natural resources, it tells the “Jianye story of cultural tourism” in different styles, forms and substance through theme park, tourist district and real scenery performance. As of 31 December 2022, the Company had the following projects for cultural tourism, namely Jianye Huayi Brothers Movie Town, Unique Henan Land of Dramas (只有河南·戲劇幻城) and Qishengjiao in Kaifeng.

With the good performance of the cultural tourism sector in recent years, the Company has attracted enormous attention in China’s cultural tourism industry and gained industrial influence greatly. In 2022, the Company’s Unique Henan Land of Dramas project was rated as a National 4A Attraction after only one year of opening. In the same year, it was honored as a 2022 Content Innovation Benchmark Cultural Tourism Project and a 2022 Cultural Tourism Integration Benchmark Project in the 2022 New Tendency of Culture and Tourism Award Ceremony.

Another cultural tourism project of the Company, Movie Town, was evaluated as an outstanding performing arts project of theme park in 2022 at the 2022 China Theme Park Development Summit Forum.

Jianye Huayi Brothers Movie Town project is located in International Cultural and Creative Industry Park in Zhengzhou with a total land use scale of approximately 600 Chinese-mu. In the form of film sets and with an essence of historical culture and memory of the city, the project provides an experiential site for experiencing film culture incorporating tour of film sets, exhibition of film culture, film interactive games, folk and intangible cultural heritage experience, a series of large-scale performance, unique cuisine and themed inns.

The first two blocks of the project covering an area of 163.2 Chinese-mu was grandly premiered on 21 September 2019 and put into operation, receiving an enthusiastic market response. The project has become the most famous site for taking photos in Central China. Successively mentioned in special reports of national media like People's Daily, Xinhua News Agency, China Central Television, Xuexi Qiangguo (xuexi.cn), the project has received favorable comments from all walks of life. In 2020, it was rated as an AAAA National Tourist Attraction.

In 2022, Zhengzhou was continuously hit by several waves of the COVID-19 epidemic, forcing the movie town to close several times. Despite this unfavorable situation, the project remained popular, with the tourist visits reaching approximately 0.76 million and the operating revenue amounting to approximately RMB90 million. It gained a good market reputation and succeeded in both economic benefits and brand effects.

Unique Henan Land of Dramas is a large-scale acting and performance project co-developed with Wang Chaoge (王潮歌), a famous director of real scenery performance. With 21 theatres, the project boasts the largest theater cluster in China. The project is located in International Cultural and Creative Industrial Park in Zhengzhou with a total site area of approximately 622 Chinese-mu and is also one of the Type-A Key Construction Projects in Henan Province. Inspired by the long-standing and rich history and culture of Henan with innovated forms of performance, the project aims to reveal the rich Central China culture and the glorious Chinese culture through the combination of several dramas with outdoor scenes as well as functional spaces by making use of its unique architectural space, helping people understand the history and culture in a multi-sensory approach. The project is of great significance for highlighting the characteristics, reshaping the style, manifesting the spirit and contributing to cultural confidence of Henan. In its 21 theaters of the project, more than 30 plays have been presented by nearly 1,000 performers. The theaters in the park have a total capacity of 10,000 people, including three main theaters, which have a capacity of nearly 5,000 people. The total duration of a single show of all plays is nearly 700 minutes and the total number of performances in a single day during the peak season is nearly 200, with a total duration of nearly 5,000 minutes.

After four years of construction, Unique Henan Land of Dramas held a grand opening ceremony on 5 June 2021, the day of Chinese lunar Grain in Ear. This attracted attention nationwide. More than 2,000 entrepreneurs, cultural celebrities, partners of Central China and media guests from all over the country witnessed the premiere.

After the project was officially opened for operation on 6 June 2021, it went viral in the market with a good reputation. In 2022, the park was forced to close several times due to the impact of multiple waves of the COVID-19 epidemic in Zhengzhou, but with the strong appeal of the project, the number of visitors reached more than 500,000, the number of theatergoers exceeded 3,000,000, and the operating revenue amounted to approximately RMB130 million.

Located at Kaifeng City (used to be an Ancient Capital of Eight Dynasties), Henan Province, Kaifeng Qishengjiao project is a culture, tourism and leisure street which imitates the style of Song Dynasty, featuring shopping, unique cuisine, guest houses, entertainment, leisure, and cultural experience. With rich tourism resources nearby, the project enjoys obvious advantages. Adjacent to the 2-km-long Yuhe River constructed with our investment, the project has highlighted the characteristics of a northern waterside city and has successfully connected tourism resources. Since its opening in 2014, Qishengjiao has attracted attention from all walks of life, becoming a new spot popular with tourists. The project is facing adjustment and exploration to keep with the increasingly mature tourist market. The project is currently speeding up to upgrade. In October 2020, the project completed the rejuvenation and upgrading. Through the collection of 17 designer concept stores, the original Baogong culture IP, the container Internet-famous site, the rail steam train, the ice and snow world theme park and other highlights, as well as the new building light show, graffiti show and other light cultural travel performing arts products, it realised the combination of youth, trend and classicality, and created a new image of the commercial street combining “art + trend + culture + architecture + space + creativity + aesthetics”.

4. *Green House*

CCRE's green houses are main body of the establishment and operation of CCRE's modern agricultural projects. As of the end of the reporting period, the Company had four green houses completed and in operation, namely Yanling Jianye Green House, Hebi Jianye Green House, Yichuan Jianye Green House and Zhoukou Jianye Green House; one green house was under-development, namely Nanyang Jianye Green House.

Yanling Jianye Green House

Yanling Jianye Green House is located in Yanling County, Xuchang City, less than 100 km from Zhengzhou City, with a site area of over 5,000 Chinese-mu. The project is equipped with intelligent gutter-connected greenhouse, multi-functional exhibition hall, technology research center and culture room for cut flowers as well as 3,000 Chinese-mu eco-tree seedlings, endeavouring to build a modern agricultural countryside complex zone concerning six highlights of "efficient agriculture, agritourism, cultural creativity agriculture, demonstration and experience agriculture, science popularisation agriculture, and healthcare and wellbeing improvement agriculture".

In 2022, the Squirrel Land project of Yanling Jianye Green House has launched. At present, the agricultural projects have already been implemented, which are equipped with various functions such as intelligent gutter-connected greenhouses, Foodcourt, Hatton Planet, Magic Forest, and Butterfly Museum, etc. In 2022, a total of 410,000 visitors were received, including provincial and municipal leaders, domestic and foreign experts, scholars, construction owners, members of the "Jianye Junlin Club", and tourists from within and outside the province.

In recent years, Yanling Jianye Green House has been awarded the National 4A Grade Tourist Attractions; the "Provincial Key Leading Enterprise of Agricultural Industrialisation" and the "Model Enterprise of Urban Eco-agriculture"; and also the plaque of "Natural Ecological Plate" by Xuchang Education Bureau; it participated in the "Facility Flower and Tree Industry Technology Innovation Strategic Alliance in Henan Province" by Henan Provincial Department of Science and Technology; and the Magnolia Tent Campground was awarded the "Recommended Campground in Henan Province"; the cucumber variety "Jianye No. 1" independently developed by Yanling Jianye Green House was awarded the registration certificate of "Non-major Crop Species" by the Ministry of Agriculture and Rural Affairs.

Hebi Jianye Green House

Hebi Jianye Green House is located at the urban-rural integration demonstration zone in Hebi City with a total site area of approximately 4,450 Chinese-mu. It is a countryside complex zone covering modern agriculture, leisure and tourism, and rural community. At present, Hebi Jianye Green House is equipped with various functions such as intelligent gutter-connected greenhouses, Food Court, Chenzhai Flower Group, leisure and entertainment, agriculture, colourful flower field and wedding lawn. Such Green House has completed various spots, such as off-road kart, mini-train zone, zoo and horse racetrack, all of these have been open to the public, with 1,278.4 square meters of photovoltaic power generation panels being installed which has an average annual power generation of approximately 19,800 KW.

In 2022, Hebi Jianye Green House welcomed more than 600,000 visitors, including government leaders, leaders of the Group, Jianye property owners, social organisations and students, and it has been awarded the “China Agricultural Park” , the “Henan Province Leisure and Sightseeing Park”, and the “Provincial Key Leading Enterprise of Agricultural Industrialisation”. In 2022, Hebi Jianye Green House was selected into the “2022 5G Project Library of Henan Province” and “Key Project Library of Henan Province’s Digital Transformation” by the Henan Provincial Department of Industry and Information Technology; it was also selected into the “Fifth Batch List of Xingchuang Tiandi in Henan Province” and was successively rated as the “Hebi Municipal Government and the Hebi Urban-Rural Integration Demonstration Zone. “Advanced Unit for Building Harmonious Labor Relations in Hebi City”, “Advanced Unit for Employment Absorption in Hebi City”, “Urban-Rural Integration Demonstration Zone Party Construction Advanced Unit in Hebi City” and other honorary titles, and won the “Urban-Rural Integration Demonstration Zone for Open Development Contribution Award in Hebi City” and was appraised as the “Henan Province Rural Tourism Creativity Demonstration Site”.

Yichuan Jianye Green House

Yichuan Jianye Green House is located at North of Zhangyao Village, Jiangzuo Town, Yichuan County, Luoyang City, with approximately 6,725 Chinese-mu and total investment amount of approximately RMB2 billion. The overall positioning strategy of the project is a countryside complex concerning six highlights of “modern agriculture, ecological leisure, cultural creativity, experience center, science popularisation and healthcare”, with maintaining sustainable development for protecting ecological environment as its basis and with development strategy focusing on “agricultural + cultural tourism + healthy”, and with local characteristics of “demonstration zone of modern agricultural complex + ecological culture protection + picturesque village + Jianye foodcourt”.

The construction of 16.3 km-long park roads, 200 Chinese-mu dropper fields, 70,000 sq.m. high quality overflow dam for irrigation and water storage, etc had been completed. Moreover, approximately 1,200 Chinese-mu of mountainous forests was being transformed and a total of 99 road lamps were built, which use clean energy, i.e., wind power and solar energy, to illuminate the road of 1.8km, thus saving the power of approximately 50,000 kWh per year. In addition, a number of service and ancillary facilities had been completed and put into use, including 11,000 square meters of high-standard intelligent greenhouses, plant factories, cave dwellings for fungus growing, Yaji Lakeside Restaurant, natural ecology museum, cave experience dwellings, RV/tent camping, tree house/log house experience area, fruit and vegetable picking experience garden, sports development area as well as ecological conservation area.

In addition, a number of leisure and entertainment facilities had been completed and put into use, including Yaji Lakeside Restaurant, cave dwelling experience, Forest Valley Natural Restaurant and Bar, Meng Chong Paradise, children’s playground, Fruit and Vegetable Picking Experience Garden, Forest Leisure Area, Xingkongli-Caravans Camp, Guanshanxu-Weijing Restaurant, Pastoral Hot Pot Restaurant as well as Research and Learning Space.

In 2022, Yichuan Jianye Green House launched investment formats such as physical fitness park, glass water slide, UTV all-terrain off-road vehicle, and small store in the starry sky, and held more than dozen operation activities such as “Live up to the Springtime, Pick up the Fun” spring events, city romance program, wild growth summer camp, graduation travel season package, etc., and received more than 160,000 visitors in total. In 2022, Yichuan Jianye Green House was awarded “Henan University of Science and Technology Outstanding Agriculture and Forestry Talent Education Base” and “Yichuan County Study Tour Demonstration Site”, and the “Rural Skillful Cooking Competition” was included in the list of special activities of the Chinese Farmers’ Harvest Festival”; while Xingkongli-Caravans Camp was also selected as “Recommended List of Campgrounds in Henan Province”.

Zhoukou Jianye Green House

Zhoukou Jianye Green House is located on the banks of the old canal in the urban-rural integration demonstration zone in Xuwan Village, Xuwan Township, Zhoukou City with a site area of more than 5,000 Chinese-mu. The project covers modern ecoagriculture, old canal reconstruction and urban wetland restoration, leisure experience, cultural tourism, health and elderly care, etc. and integrates high-end flower, fruit and vegetable production, fine seedling and flower cultivation, culture mining of old canal six centuries-old shipping ferry, experience of special diet in Central Plains, urban wetland and riverside landscape belt along the old canal, Research and Learning Space, folk wedding celebration photography base, etc. with a view to forming a 4A Ecological Tourism and Vacation Zone with an international leading and domestic first-class modern agricultural industry chain integrating “research and development, production, demonstration and experience”. Relying on the construction of the timehonored old canal, the House aims at resuming the prosperity of the old canal as the artery of water transport in the Ming and Qing Dynasties, so that tourists can experience the profound history and culture of the ancient Zhoukou there, reminding their memories for the canal, filling the market gaps in tourism, vacation and recreation in Zhoukou and meeting the recreational tourism demands of residents during weekends and nighttime.

Projects completed and put into operation as at the end of the reporting period: 1) the office and accommodation area of 6,000 sq.m.; 2) the intelligent gutter-connected greenhouse of 36,000 sq.m.; 3) the core landscape demonstration area of 200,000 sq.m.; 4) the Tongle Valley Parent Child Paradise of 20,000 sq.m.; 5) the experience agriculture demonstration park of 60 Chinese-mu; 6) Jianye foodcourt of 5,000 sq.m.; 7) modern and technical agriculture exhibition hall of 5,000 sq.m.; 8) comprehensive service center of 7,500 sq.m.; 9) Kart Club of 5,000 square meters; 10) Research and Learning Space of 6,600 sq.m.

In 2022, Zhoukou Jianye Green House received more than 1,030,000 tourists, including nearly 2,000 provincial and municipal leaders, experts and scholars in relevant fields at home and abroad, nearly 50,000 tourism teams, and established long-term and stable cooperative relations with various sports associations, wedding associations, expansion training institutions, research and education institutions. As of the end of 2022, Zhoukou Jianye Green House received dozens of awards, including “2021 Advanced Unit of Key Construction in Zhoukou City” and selected as “Recommended List of Campgrounds in Henan Province”. In addition, it has been recognized as the “Special Social Practice Education Base for Primary and Secondary School in Zhoukou City”.

Nanyang Jianye Green House

Nanyang Jianye Green House is located at the north of Wolong District, Nanyang City, leaning on Dushan Mountain to the west and facing Yong River to the east, about 1.8 kilometers away from the direct line of Baihe River. The project is located in a superior transportation area, with Shangnan Expressway to the north, Provincial Road 234 to the west and Kongming North Road to the east. With a total area of about 4,800 Chinese-mu and a planned investment of RMB2 billion, it is the fifth idyllic complex project of our Group. The project combines the characteristic culture of Nanyang, with the China rose, mugwort and unique jade industry as the support, forming a new mode of “agriculture-travel-production” closed-loop development, and is committed to creating an agricultural field complex project integrating agricultural demonstration, village revitalization, ecological leisure, suburban tourism, health and wellness, cultural entertainment, etc. After the completion of the project, it will directly and indirectly promote the employment of nearly 10,000 people, and will develop into a special agricultural industrial park in southwest Henan, a demonstration area of rural revitalization in southwest Henan, and a research and experience base of Dushan jade culture in Nanyang, and strive to build a provincial or even national-level demonstration project of idyllic complex.

The construction of the project started on 29 September 2021, which is mainly divided into two phases.

Phase I: Activation period (2021-2022): Pulling framework, creating environment and building platform.

The project will focus on building a technology demonstration area, and will quickly start the development of the park with the images of “intelligent agriculture center, Jianye Cafeteria, Dushan jade culture study base, rural revitalization lecture hall, emerging vocational farmer training center, 5C grade RV camping site, etc.” to build the confidence of enterprises to invest. By introducing the mature IP of the Jianye, the project of “Smart Agriculture Center/Construction Industry Cafeteria” can quickly attract people. Preliminary land preparation work in the park to be completed, and the construction of roads and infrastructure around the core area to be improved.

Phase II: Mature stage (2023-2025): Excellent supporting facilities, fine living and strong services.

The project will gradually develop the medical and health zone and intelligent agriculture zone; basically settle the construction of roads and infrastructures in the park area and refine the overall spatial landscape appearance. Guihua Village and Da Chenzhuang Village Revitalization Demonstration Area will be developed. And further optimization, implantation of highly creative agricultural experience tourism projects and supporting facilities, establishment of the park’s creative image, attracting popularity, and becoming a highly well-known domestic destination for special rural tourism.

(III) Land Reserves

During the reporting period, the Group acquired land with a site area of approximately 0.195 million sq.m. through tendering, auction and listing, equity cooperation, etc. It had newly added land reserves with a GFA of approximately 0.615 million sq.m.. As of 31 December 2022, the Company had land reserves with a GFA of approximately 46.98 million sq.m., including attributable GFA of approximately 34.00 million sq.m.

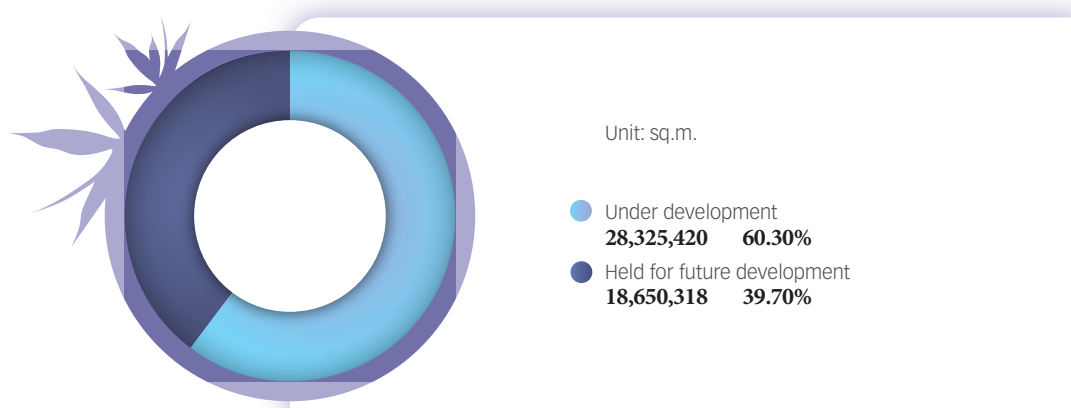
Equity Cooperation

As of 31 December 2022, the Group acquired an aggregate of 5 land parcels with a total site area of 195,063 sq.m. in Zhumadian City, Shangqiu City and Sanmenxia City by way of equity cooperation.

3. *Distribution of Land Reserves*

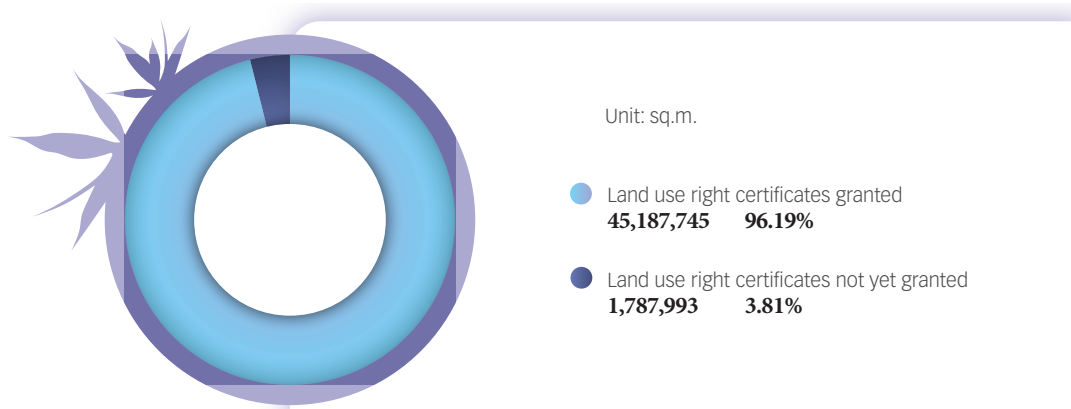
(1) *Distribution of the Company's land reserves by development status*

As at 31 December 2022, the distribution of the Company's land reserves by development status is set out in the table below:



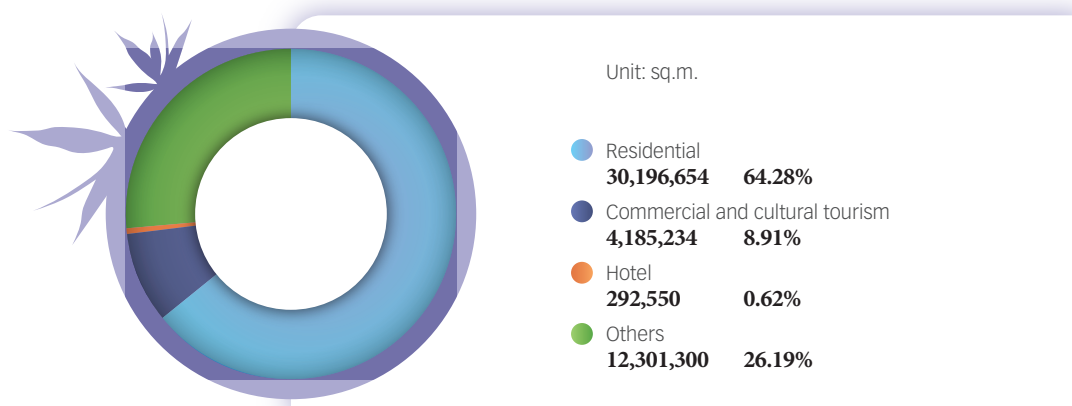
(2) *Distribution of the Company's land reserves by land use right certificates*

As of 31 December 2022, the distribution of the Company's land reserves by land use right certificates is set out in the table below:



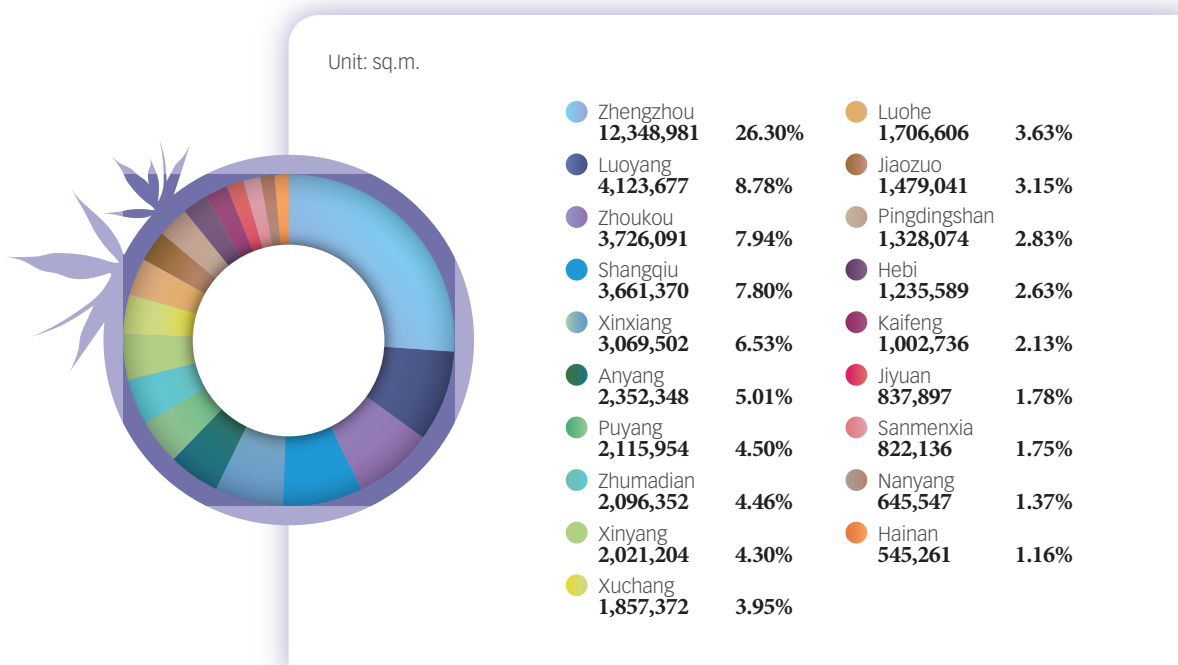
(3) *Distribution of the Company's land reserves by property types*

As of 31 December 2022, the distribution of the Company's land reserves by property types is set out in the table below:



(4) *Distribution of the Company's land reserves by cities*

As of 31 December 2022, the distribution of the Company's land reserves by cities is set out in the table below:



(IV) Product Research and Development

Through the research on the urbanization process, market trend and culture trend and considering the development characteristics of the Group, the Company has put forward the product concept of “creating products that best understand the people in Central China”, adhering to the overall direction of “doing less, doing small and doing better”, and continuously promoted the research and development and implementation of the “2+3+X” product line. Based on its product line system, the Company constantly refined the serialization and standardization construction of architecture, landscape, decoration, structure, and equipment centering on product line and product adaptation. Meanwhile, the Company continuously refined the architectural design, and came out with products of living rooms with increased competitiveness through conducting research on customers’ needs and the new lifestyle of customers.

1. Product Development and Serialisation, Standardisation and Commercialisation

During the reporting period, the Company continued to carry out standardise iteration and upgrade, completed the “Product Map”. Leveraged on the product lines, the Company continued to facilitate product line optimisation and iteration, which enhanced product competitiveness and brand premium, and helped the Group’s strategic transformation and land acquisition and investment in various cities.

The Company constantly optimised its “Platform for Product Standardisation, Design and Management” to regulate design and management procedures, compiling product data base and securing product quality by means of informatisation. Architectural design tools were constantly enriched by promoting the use of leading BIM technologies in the industry, and the accuracy of design was thus improved. Meanwhile, adhering to the development concept of “Green, Health, Technology, Energy-saving”, the Company incorporated the elements of green, health, technology and intelligence into product design to further show its meticulous care to customers.

Residential industrialization is conducive to improving the quality of residential projects, realizing energy conservation and emission reduction, and improving the living environment, which is an inevitable trend of residential construction and development. The Group actively promoted residential industrialization, applied prefabricated BIM technologies to Plum Garden (梅苑) in Beilong Lake Junlin Grand Courtyard Project, and helped with the implementation of prefabricated construction for the projects to secure product quality. During the reporting period, 17 prefabricated projects under construction were completed with a GFA of 1.1975 million sq.m., representing 4.59% of the GFA of 26.07 million sq.m. under construction, and 10.36% of the total 164 prefabricated projects.

2. Customized Design

With the increasing demand for residential quality, the traditional product design model cannot fully satisfy the new demand of upgraded consumption.

Insisting on the core concept of “providing quality living standards for the people in Central China”, the Company launched the Junlin Grand Courtyard project based on customized design. The project took the customer needs as the starting point and achieved customization in ten aspects including the house type, building style, landscape design, supporting facilities, elevator configuration, decorative style, standard of house decoration, kitchenware, bathroom articles, and property services, so as to satisfy the needs of the people in the new era for better house, break the original development and design mode of property, and lead the residence product into the era of customization and personalization.

3. *Environmental Protection and Energy Conservation*

To facilitate the development of green architecture business and promote low carbon life culture, the Company has formulated the Green Architecture Projects Implementation and Management Measures of CCRE, the Green Architecture One Star Technology Application Guidelines of CCRE, and the Green Architecture Two Star Technology Application Guidelines of CCRE in accordance with the Evaluation Standards for Green Buildings and the Evaluation Standards for Green Buildings of Henan Province issued by the Ministry of Housing and Urban-Rural Development of PRC. The Company issued the Green Manifesto of CCRE in 2010 to better implement the national regulations and policies on energy conservation and environmental protection, to implement the relevant requirements of the Energy Saving Design Standards for Residential Buildings in Henan Province, to enhance building energy efficiency, and to improve building energy-saving standards, thereby comprehensively improving the effectiveness of environmental protection and energy conservation for our corporate property projects. In 2022, 66 projects of the Company with a total GFA of approximately 10.56 million sq.m. have passed the National Green Building Certification.

Waste and Emission Reduction

The waste generated in the course of the Company's daily operation mainly includes construction waste, household trash and wastewater, and the emission of such waste always abides by national standards. For the disposal of waste, the Company always, pursuant to the requirements of relevant local authorities, conducts concentrated collection of construction and household waste and takes appropriate measures for recycling or disposal according to the waste category while household wastewater will undergo a precipitation process before discharged into municipal sewage network and the underground wastewater will be used for irrigation or be discharged into the municipal rainwater pipe network.

The Company fully understands that preventing waste from the source is essential for alleviating environmental pollution in the long run. To this end, the Company vigorously advances the industrialisation of property development and fully decorated houses in Henan Province by setting up exemplary construction sites in various projects concerning industrialisation of property development and fully decorated houses. The originally complex construction procedures are streamlined, changing the production processes by switching from distributive to concentrated interior design and centralizing the procurements and construction works performed, thereby reducing material consumption, waste emission, waste air and greenhouse gas emission and noise pollution, mitigating social total costs. Meanwhile, the Company has established an environmental impact assessment mechanism in accordance with state regulations to assess the environmental impacts regularly at all construction phases, and formulated the Emergency Response Measures to minimize the negative impact of construction projects on the surrounding environment. Next year, the Company will continue to step up its emission reduction initiatives and amend the waste management policy where needed in a bid to improve the effectiveness of waste reduction.

Product Responsibilities

Thanks to our rigorous product research and development and product safety supervision procedures, the Company's construction projects have reached the industry's highest standards in terms of applicability, safety and weight resistance. The Company has formulated its product research and development system and product management policy pursuant to state regulations and industry standards, providing detailed guidelines on product design, repair, maintenance, testing and inspection with a focus on planning and design, house configuration, product landing, material check and equipment testing in order to exercise all round supervision on the design, production and construction processes.

1. Design Stage

According to regulatory conditions, and taking into consideration of the market condition and its product lines, the Company designs projects in a scientific, reasonable and user-friendly way.

2. Approval Stage

Project materials are improved and submitted to meet all the requirements under the regulations and policies of relevant government authorities in relation to project construction.

3. Before Construction

Construction drawings are reviewed by a professional third-party cooperative institution to ensure compliance with national and industry standards.

4. Material Examination

Suppliers of building materials are carefully chosen, and their certification files are strictly examined and are subject to a review by a professional third party manufacturer.

5. During Construction

An external consultant is engaged to closely monitor project construction and progress.

6. Project Acceptance

Before completion, relevant projects will be checked by and filed with relevant government authorities.

To meet the expectations and needs of our customers, the Company will contact relevant customers to conduct opinion survey, making sure that the product issues are completely solved. Meanwhile, the Company will also collect relevant cases to study and summarise, aiming to prevent similar issues from happening again and further improve the quality of our products and services.

(V) Customer Service and Customer Relations

In 2022, the thirtieth year since the Company was founded, CCRE has further upgraded its services. The Company continue to carry out the innovative “Improvement and Enhancement” campaign (琢玉行動) and proceed to “polish the jades, upgrade the community (春風琢玉，社區升級)”. Through a series of “hardware polishing and service polishing” and a series of activities such as “Hardware Polishing and Upgrade Operation (琢硬體升級行動)”, “Community Co-construction Project (社區共建人計劃)”, “Spring Breeze Communion Symposium (春風融融懇談會)” and “Spring Breeze Community Hundred Family Banquet (春風社區百家宴)”, the Company has connected and strengthened the bond of the interesting, warm, and energetic neighborhood. Together we explore the beautiful lifestyle of community and create more possibilities for a happy community life.

During the reporting period, in order to further improve the customers service experience, the Company has integrated multiple business segments and established a unified 400 customer service system. Through unified 400 numbers, unified background management system, unified user perception interface, unified data precipitation and centralized management and tailor-made customization services, the Company has also created the 4009617777 all-format service command platform. Meanwhile, the Company has continued to promote normalization of the “No delay (客不容緩)” policy. By improving the 400 customer complaint handling process, the Company has implemented the “Daily Follow-up, Weekly ranking, monthly report” mechanism, introduced measures such as material customer complaint risk pull through early warning system, customer complaint risk investigation at critical time points and dedicated delivery risk monitor and control, and effectively promoted fast response and efficient handling of customer complaints. In the face of the severe delivery situation, the Company has been working together to overcome difficulties and continuously improve delivery management by revising the delivery system, standardizing the delivery process, pre-controlling delivery risks, improving delivery quality, creating delivery benchmarks and empowering delivery business. The Company delivered a total of 63 projects during the reporting period, in which 22 batches were delivered early, and 21 batches were issued with property certificates upon delivery, which enhanced customer experience, consolidated market reputation and won the recognition of property owners.

BUSINESS OUTLOOK

1. The Macro-economic Landscape

In 2022, in the face of a complex external environment with rapidly evolving global pattern, escalation of Ukraine crisis and persistently high global inflation, China was able to overcome all these challenges and grew steadily. Supply chain in the industry remained stable generally and many scientific achievements were made despite of the recurrence of pandemics in China and threefold pressure. With further deepening of market reforms and opening up economy, China's overall economy and social conditions remained stable. Being the first year to fully implement the spirit of the 20th National Congress of the Communist Party, 2023 is also a critical year to carry out the "14th Five-Year Plan" in shaping the future. Sufficient counter-cyclical adjustments should be made continuously to the macro policies, and it is expected the economic growth will increase potentially while the overall economic performance will be improved.

Looking ahead in 2023, Henan Province still adhere to the general tone of striving for stability, insist on the complete, accurate and comprehensive implementation of the new development concept, accelerate the construction of a new development pattern, promotes high-quality development, anchor the "two guarantees", grasp the implementation of key tasks around the implementation of the "ten strategies", comprehensively deepen reform and opening up, give a boost to market confidence, integrate organically the implementation strategy of expanding domestic demand with the deepening of supply-side structural reforms to achieve stable grow, stable employment and stable prices, effectively prevent and resolve material risks and promote overall economic improvement. In addition, the 16 policies and measures for financial support to property market should be fully implemented, credit volume expansion will become the main tone to maintain a stable market, protect enterprises as target and protect people's livelihood as goals, implement appropriate policies based on local requirements to ensure a stable and healthy development of property market.

2. Property Market Outlook

2023 will be a critical year for rapid economic growth. However, the important function of property market as a stabilizer to the economy will be further weakened. It is expected the overall property market will become stable to form a cushion to the bottom. Under the policy positioning of “housing is for accommodation, not for speculation”, there will be room for continuous improvement on supply-demand policy, particularly at core tier-two cities where larger relaxation on polices are expected such as continuous adjustments might be made to “limited purchase” and “second homes mortgage restrictions”. On the other hand, policy optimization for tier-one cities are also increasing, such as lowering property mortgage rates, lowering down payment ratio as well as taxes and fees.

“Ensuring the delivery of buildings, and protecting people’s livelihood” remains the main theme for property market in 2023, which relates to the stability of people’s livelihood, and also the restoration of property market confidence. With local governments, financial institutions and property developers joining hand in hand, it is expected the real estate relief funds, special loans from policy banks and finance support from financial institutions will get quicker approval with more substantial progress to promote better expectations amongst purchasers.

3. Company’s future

In 2023, the overall market is expected to show a basic, stable and gradual recovering trend. With the resumption of work and production and the implementation of guaranteed delivery funds, confidence in the market will gradually recover. Based on market forecasts and cash flow conditions, the Company will take advantage of the positive signals from the government in supporting the recovery of the property market in 2023, in order to promote the implementation of beneficial supportive policies; continue to make breakthroughs in innovative revitalization of projects; introduce “cost responsibility” and “optimization responsibility” dual-objective management; adopt a variety of innovative financing models, whereas the Group would consider to implement debt management measures for offshore debts; strictly monitor expense-rate control; and continue to promote the operating efficiency and income level of property development.

The darkest hour is always before dawn, the Company will make every endeavor to contribute to the economic development of Henan Province.

1. Commencement Plan

In 2023, the Company plans to commence construction of 72 projects with a GFA of approximately 4,257,730 sq.m.

City	Project name	Principal use of property	GFA (sq.m.)
Zhengzhou	Zhengzhou Junlin Grand Courtyard	Residential	186,247
Zhengzhou	Huayuankou resettlement area Riverside Mansion	Residential	16,484
Zhengzhou	Jianye Tianhuicheng South Land Lot	Residential	38,095
Zhengzhou	Movie Town project (Phase 3)	Residential	150,816
Zhengzhou	J18 (Phase 4)	Residential	213,008
Zhengzhou	Blossom Garden	Residential & Commercial	75,077
Zhengzhou	Cherry Valley Development Zone No.80	Residential	56,631
Kaifeng	Lankao CCRE Mall (Phase 1)	Residential	8,039
Luoyang	Luoyang Code Two City (Phase 4)	Residential	50,052
Luoyang	Luoyang Longshang Court	Residential	16,274
Luoyang	Luoyang Luanzhou Palace	Commercial	38,753
Luoyang	Yichuan Dragon Mansion	Residential	59,687
Luoyang	Luoyang Jianye Mansion	Residential	49,173
Luoyang	Luoyang Dachengxiaoyuan (Phase 3)	Residential	7,638
Luoyang	Luoyang Zhongzhou Mansion No. 1 Courtyard	Residential	27,029
Pingdingshan	Wugang Forest Peninsula (Phase 6)	Residential	36,245
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden (Phase 3)	Residential	49,281

City	Project name	Principal use of property	GFA (sq.m.)
Anyang	Anyang Guangming Mansion	Basement	49,422
Anyang	Anyang Chinoiserie Palace North Garden	Commercial	1,739
Anyang	Anyang Jianye City (Phase 4)	Residential	60,530
Hebi	Hebi No.7 Courtyard	Residential & Commercial	61,020
Hebi	Hebi Flower Creek Town (Phase 1)	Residential	39,308
Hebi	Hebi Taihe Mansion	Residential	46,762
Xinxiang	Xinxiang Dongjing Mansion (Phase 2)	Residential & Commercial	67,334
Xinxiang	Xinxiang Xinfei Jianye Mansion (Phase 1)	Residential	111,360
Xinxiang	Xinxiang Meidi Yunqi (Phase 2)	Residential	44,075
Jiaozuo	Jiaozuo Jianye Mansion (Phase 2)	Residential	147,001
Jiaozuo	Jiaozuo Shuxiang Yard (Phase 1)	Residential	54,655
Xuchang	Changge Sweet-Scented Osmanthus Garden New City (Phase 2)	Residential	39,938
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	75,806
Xuchang	Xuchang Zhenyuehui (Phase 2)	Residential	80,222
Xuchang	Yanling Junlin Grand Courtyard (Phase 1)	Residential	5,700
Luohe	Luohe Art Mansion	Residential	32,214
Luohe	Luohe Ideal City	Residential	105,076
Luohe	Luohe Blossom Garden (Phase 1)	Residential	36,880
Luohe	Luohe Longhushuxiang Mansion	Residential	62,486
Sanmenxia	Sanmenxia Code Two City	Residential	17,668
Sanmenxia	Yima Chinoiserie Palace (Phase 1)	Residential	20,041
Shangqiu	Minquan Long Mansion (Phase 2)	Residential	82,424
Shangqiu	Shangqiu Future City	Residential	39,789
Shangqiu	Xiayi Jianye City (Phase 2)	Residential	100,953
Shangqiu	Shangqiu Jiangshan Mansion	Residential	82,271
Shangqiu	Yucheng Hill Water Lake City (Phase 2)	Residential	18,557
Shangqiu	Yongcheng Lianmeng Dongwang	Commercial	3,691
Shangqiu	Yongcheng Art Mansion	Residential & Commercial	52,764
Shangqiu	Yucheng Songshan Mansion	Residential	295,815
Shangqiu	Shangqiu Shangheyuan	Residential	66,468
Zhoukou	Zhoukou Jianye City (Phase 4)	Residential	42,719

City	Project name	Principal use of property	GFA (sq.m.)
Zhoukou	Zhoukou Jianye Chinoiserie Palace (Phase 3)	Residential	20,005
Zhoukou	Zhoukou Jianye Hill Water Lake City (Phase 1)	Residential	48,014
Zhoukou	Taikang Jianye Mansion	Residential	65,730
Zhoukou	Zhoukou Jianye Canal Courtyard (Phase 1)	Residential	19,107
Zhoukou	Zhoukou Jianye Guandi Old Street	Residential	22,296
Zhumadian	Zhumadian Honour Mansion	Residential	64,967
Zhumadian	Zhumadian Binhelong Palace	Residential	16,153
Zhumadian	Zhumadian Tianzhong Mansion	Residential	217,146
Zhumadian	Shangcai Jianye Mansion	Residential	9,614
Zhumadian	Zhumadian Misty Mountain Mansion	Residential	59,527
Zhumadian	Suiping Jianye Mansion	Residential	87,908
Zhumadian	Zhumadian Chinoiserie Palace (Phase 3)	Residential	111,496
Nanyang	Nanyang Shilihushan (Phase 3)	Residential	23,325
Nanyang	Nanyang Longyue City	Residential	22,311
Nanyang	Nanyang Binhelong Palace	Residential	146,550
Xinyang	Xinyang Jianye City (Phase 2)	Residential	12,570
Xinyang	Xinyang Huangchuan Huangguo Palace (Phase 1)	Commercial	23,873
Xinyang	Xinyang Luoshan Jianye Mansion (Phase 1)	Residential	58,058
Xinyang	Xinyang Huangchuan Dingchengfu (Phase 1)	Residential	81,701
Xinyang	Xinyang Gushi Jianye Mansion (Phase 1)	Residential	37,794
Xinyang	Xinyang Huaibin Huaihe Courtyard (Phase 1)	Residential	16,081
Xinyang	Xinyang Xinyang Sky Mansion (Phase 1)	Residential	29,466
Jiyuan	Jiyuan Jianye City (West) (Phase 1)	Commercial	500
Jiyuan	Jiyuan Blossom Garden West (Phase 1) Land Lot 36	Residential	40,321
Total			<u><u>4,257,730</u></u>

2. *Delivery Plan*

In 2023, the Company plans to deliver 113 projects in total with GFA of approximately 10,698,156 sq.m.

City	Project name	Principal use of property	GFA (sq.m.)
Zhengzhou	Xinmi Code One City (Phase 2)	Residential	68,433
Zhengzhou	Dengfeng Songyue Mansion (Phase 2)	Residential	160,500
Zhengzhou	Zhengzhou Wulongkou S10	Residential	220,977
Zhengzhou	Zhengzhou Junlin Grand Courtyard	Residential	132,014
Zhengzhou	Zhengxi U-Town (Phase 6) Zone A	Residential	107,626
Zhengzhou	Movie Town project (Phase 2)	Residential	176,399
Zhengzhou	Jianye Wonderland	Residential	134,829
Zhengzhou	Jianye Tianhuicheng South Land Lot	Residential	51,067
Zhengzhou	Xinmi Spring Time (Phase 1)	Residential	67,308
Zhengzhou	Gongyi Spring Time (Phase 4)	Residential	85,691
Kaifeng	Tongxu Jianye City (Phase 1)	Residential	43,941
Kaifeng	Lankao CCRE Mall (Phase 1)	Residential	99,958
Kaifeng	Lankao Red World (Phase 2)	Commercial	7,754
Kaifeng	Kaifeng Taihe Mansion (Phase 1)	Residential	67,896
Luoyang	Luoyang Dingding Palace	Residential	314,111
Luoyang	Luoyang Luanzhou Palace	Residential	42,479
Luoyang	Luoyang Longcheng Dongwang (Phase 2)	Residential	88,478
Luoyang	Luoyang Binhelong House (Phase 2)	Residential	91,605
Luoyang	Luoyang Code Two City (Phase 3)	Residential	135,039
Luoyang	Luoyang Fengdu (Phase 2)	Residential	88,792
Luoyang	Luoyang Dachengxiaoyuan (Phase 2)	Residential	71,705
Luoyang	Yichuan Dragon Mansion	Residential	50,265
Luoyang	Luoyang Zhongzhou Mansion (Phase 1)	Residential	120,973
Luoyang	Luoyang Jianye Mansion	Residential	34,196
Pingdingshan	Pingdingshan Spring Time (Phase 3)	Residential	137,542
Pingdingshan	Pingdingshan Guangming Mansion	Residential	104,955
Pingdingshan	Pingdingshan Pingxi Honour Mansion	Residential	60,172
Pingdingshan	Pingdingshan Eighteen Cities (Phase 4)	Commercial	23,471

City	Project name	Principal use of property	GFA (sq.m.)
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden (Phase 3)	Residential	23,096
Anyang	Anyang Tonghe Palace Project (Phase 1)	Basement	9,707
Anyang	Tangyin Central Garden Project (Phase 1)	Residential	120,900
Anyang	Anyang Sky Mansion	Residential	147,077
Anyang	Anyang Junlin Grand Courtyard (Phase 1)	Residential	60,592
Anyang	Anyang Jianye City (Phase 3) Zone 1, Zone 2	Residential & Basement	157,311
Anyang	Anyang Phoenix City North Bank	Residential	208,325
Hebi	Hebi Chinoiserie Palace (Phase 1)	Residential	167,232
Hebi	Hebi No.7 Courtyard	Residential	121,083
Hebi	Hebi Zhenyuehui (Phase 1)	Residential	27,080
Hebi	Qi County Jianye City (Phase 1)	Residential	138,901
Xinxiang	Xinxiang Chinoiserie Palace (Phase 1)	Residential	189,950
Xinxiang	Xinxiang Blossom Garden (Phase 1)	Residential & Basement	105,453
Xinxiang	Changyuan Forest Peninsula Courtyard (Phase 1)	Commercial	53,509
Xinxiang	Hui County Code One City (Phase 1)	Residential	126,718
Xinxiang	Hui County Gongcheng Dongwang (Phase 1)	Residential	169,995
Xinxiang	Xinxiang Meidi Yunqi (Phase 1)	Residential	46,895
Xinxiang	Beverly (Phase 4)	Residential	116,914
Xinxiang	Xinxiang Dongjing Mansion (Phase 1)	Residential	86,243
Xinxiang	Fengqiu Central Garden (West) (Phase 1)	Residential	73,463
Xinxiang	Weihui Spring Time (Phase 1)	Residential	174,975
Jiaozuo	Wuzhi Star Mall	Residential & Commercial	94,058
Jiaozuo	Jiaozuo Jianye Mansion (Phase 1)	Residential & Basement	133,973
Jiaozuo	Bo'ai Spring Time (Phase 2)	Residential	154,760
Jiaozuo	Mengzhou Jianye Mansion (Phase 1)	Residential	49,311
Jiaozuo	Wuzhi Jianye Majestic Mansion (Phase 1)	Residential	79,886

City	Project name	Principal use of property	GFA (sq.m.)
Puyang	Puyang Chinoiserie Palace Project (Phase 3)	Residential	199,019
Puyang	Puyang Puyuan Project (Phase 1)	Residential & Basement	46,337
Puyang	Puyang Jianye Longcheng	Residential & Basement	171,275
Puyang	Taiqian Jianye Jianrun House	Residential	77,649
Xuchang	Yuzhou Dachengxiaoyuan (Phase 1)	Residential	59,919
Xuchang	Yuzhou Spring Time (Phase 1)	Residential	77,936
Xuchang	Xuchang Zhenyuehui (Phase 1)	Residential Commercial	64,455
Xuchang	Xuchang Pleasure Garden (Phase 1)	Residential & Basement	126,402
Xuchang	Xiangcheng CCRE Mall (Phase 1)	Residential	121,363
Xuchang	Changge Forest Peninsula (Phase 2)	Residential	17,890
Xuchang	Changge Sweet-Scented Osmanthus Garden New City (Phase 2)	Residential	15,016
Xuchang	Yanling Eco-City (Phase 3)	Residential	27,558
Luohe	Linying Forest Peninsula (Phase 1)	Residential	95,683
Luohe	Luohe Sweet-Scented Osmanthus Garden West District (Phase 1)	Residential	98,846
Luohe	Luohe Blossom Garden (Phase 1)	Residential	175,176
Luohe	Luohe Jianye Danjiang House (Phase 1)	Residential	56,605
Luohe	Luohe Jianye Xicheng Forest Peninsula (Phase 3)	Residential	157,312
Luohe	Luohe Longhushuxiang Mansion	Residential	30,434
Sanmenxia	Sanmenxia New District Forest Peninsula (Phase 3)	Residential	52,048
Sanmenxia	Sanmenxia Honour Mansion (Phase 2)	Residential	47,321
Sanmenxia	Yima Chinoiserie Palace (Phase 1)	Residential	94,720
Shangqiu	Shangqiu Yuelong Mansion	Residential	52,355
Shangqiu	Shangqiu Chengyuan	Residential	96,408
Shangqiu	Minquan Long Palace (Phase 1)	Residential	117,596
Shangqiu	Shangqiu Future City	Residential	13,214
Shangqiu	Shangqiu Art Mansion	Residential	236,814
Shangqiu	Xiayi Jianye City (Phase 1)	Residential	215,804
Shangqiu	Zhecheng Lianmeng Dongwang (Phase 1)	Residential	80,468

City	Project name	Principal use of property	GFA (sq.m.)
Shangqiu	Yucheng Hill Water Lake City (Phase 2)	Residential	71,983
Zhoukou	Zhoukou Jianye City (Phase 3)	Residential	169,080
Zhoukou	Zhoukou Jianye Chinoiserie Palace (Phase 2)	Residential	80,619
Zhoukou	Taikang Jianye Eco-City	Residential	75,831
Zhoukou	Huaiyang Jianye CCRE Mall	Commercial	64,406
Zhoukou	Luyi Jianye City (Phase 9 & 10)	Residential	4,185
Zhoukou	Huaiyang Binhe Courtyard	Residential	283,054
Zhoukou	Zhoukou Jianye Hill Water Lake City (Phase 1)	Residential	145,662
Zhoukou	Fugou Jianye Mansion	Residential	36,610
Zhoukou	Zhoukou Jianye Canal Ancient Town (Phase 1)	Commercial	22,805
Zhoukou	Zhoukou Jianye Guandi Old Street	Commercial	14,896
Zhumadian	Zhumadian Honour Mansion	Residential	65,610
Zhumadian	Zhengyang Jianye City (Phase 2)	Residential	37,317
Zhumadian	Zhumadian Spring Time (Phase 2)	Commercial	2,185
Zhumadian	Xiping Spring Time	Residential	13,484
Zhumadian	Zhumadian Binhelong Palace	Basement	18,134
Zhumadian	Zhumadian Tianzhong Mansion (Phase 1)	Residential	93,401
Zhumadian	Shangcai Jianye Mansion	Residential	45,942
Zhumadian	Lijing Huating	Residential	24,287
Nanyang	Nanyang Longyue City	Residential	126,018
Nanyang	Dengzhou Qingyunli	Residential	58,056
Xinyang	Xinyang Jianye City (Phase 2)	Residential	164,674
Xinyang	Xinyang Xi County Honour Mansion (Phase 1)	Residential	111,160
Xinyang	Xinyang Mansion (Phase 1)	Residential	172,037
Xinyang	Xinyang Huangchuan Huangguo Palace (Phase 1)	Residential	87,432
Xinyang	Xinyang Gushi Future City (Phase 1)	Residential	104,353
Jiyuan	Jiyuan Jianye City	Residential & Commercial	199,022
Jiyuan	Jiyuan Spring Time (Phase 1)	Basement	19,288

City	Project name	Principal use of property	GFA (sq.m.)
Jiyuan	Jiyuan Code One City Majestic Mansion (Phase 1)	Residential & Commercial	63,367
Hainan	Danzhou Junlin Grand Courtyard (Phase 1)	Residential	30,415
Hainan	Dongfang Jiayuan (Phase 2) (Commercial Land Lot 02)	Residential	41,637
Total			<u>10,698,156</u>

RISK MANAGEMENT AND INTERNAL MONITORING

The Company clearly defines the authorisations and responsibilities of the Board, the Audit Committee, the management, the internal audit function and other units to ensure the establishment, implementation and effective assessment of risk management and internal control systems. The Board has the responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and to ensure the Company establishes and maintains appropriate and effective risk management and internal control systems on an ongoing basis. The Board also monitors the management regarding the construction, implementation and assessment of the risk management and internal control systems. The Company's risk management and internal control systems aim to manage, but not eliminate, risks of failing to achieve business objectives, and make reasonable, but not absolute, guarantee that there is no material misstatement or loss only.

A three-line system for risk management and internal control has been put in place, namely, business control, human resource management, financial management and other functions constitute the “first line”, the functional center of internal control and supervision constitutes the “second line” and the internal audit and supervision department constitutes the “third line”. In order to enhance our risk management and internal control, each business management department is accountable for its daily management, and regularly conducts compliance self-assessment according to the compliance assessment template. The internal control department organizes regular cross inspections and random inspections, effectively implements internal control activities and issues internal control reports and continuously improves on the internal control guidelines as well as organizes and formulates remedies in a timely manner for management inadequacies and loopholes identified. The internal audit and supervision department of the Company also regularly inspects, evaluates and follows up on the operation and implementation effect of the internal control mechanism in order to ensure that relevant remedial actions are performed in a timely and smooth manner. Review findings have been reported to the Audit Committee for further follow-up actions.

As part of the risk management system, the management will continuously identify, review and monitor major risks, formulate risk response measures and implement them. The management has established risk identification and management procedures. The risk assessment report is reported to the Audit Committee and the Board on a regular basis to highlight changes in the risk assessment, quantitative and qualitative factors affecting the inherent risks and effectiveness of mitigation measures on other risks. The Company has established an internal policy to provide the Company's directors, officers, senior management and relevant employees with general guidelines for handling confidential information, monitoring disclosure of information and responding to enquiries. The Company has implemented control procedures to prevent unauthorized access and use of internal information. The risk management systems of the Company are continually being monitored and refined by the Audit Committee and the Board. The Board has received assurance from the CEO and the management of the Company regarding the effectiveness of the risk management systems of the Company.

The Board performs the duty of reviewing the interim and annual results with the Audit Committee, the management of the Company, the internal audit and external independent auditors in accordance with the procedures, and conducts a review and assessment on the effectiveness of the Company's risk management and internal control systems as well as procedures and system to address significant internal control deficiencies at least annually. The Board and the Audit Committee act pursuant to opinions from the internal audit and external auditors. They also reviewed the resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions and their training programmes and budget and were satisfied with their adequacy. The Board believes that the existing risk management and internal control systems are adequate and effective for the year ended 31 December 2022.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2022 which would materially affect the Company's operating and financial performance as of the date of this announcement.

FINAL DIVIDEND

The Board resolved not to recommend a final dividend for the year ended 31 December 2022 (for the year ended 31 December 2021: HK\$2.70 cents per share).

No interim dividend was distributed for the six months ended 30 June 2022.

HK\$14.75 cents per share was distributed as interim dividend for the six months ended 30 June 2021.

ANNUAL GENERAL MEETING

The 2023 AGM will be held on 25 May 2023 and the notice thereof will be published and despatched to the shareholders of the Company in a manner as required by the Listing Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2023 AGM, the register of members of the Company will be closed from 22 May 2023 to 25 May 2023 (both days inclusive), during which period no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 19 May 2023, for registration.

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. For the year ended 31 December 2022, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix 14 to the Listing Rules with the exception of Code Provision F.2.2 as addressed below.

Code provision F.2.2 — This code provision requires the chairmen to invite the chairman of the audit, remuneration and nomination committees to attend the annual general meeting.

Mr. Xin Luo Lin, an independent non-executive Director and the chairman of the remuneration committee of the Company, was unable to attend the 2022 AGM due to other business engagement. Mr. Wu Po Sum, an executive Director and a member of the remuneration committee of the Company attended the 2022 AGM.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that all Directors had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2022.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Reference is made to the announcements of the Company dated 1 August 2019, 2 August 2019, 16 August 2019, 28 April 2021, 2 July 2021 and 31 July 2022 in relation to the 6.875% senior notes due August 2022 (ISIN: XS2037190514) (the "**August 2022 Notes**"). Between 22 July 2022 and 29 July 2022, the Company had repurchased part of the August 2022 Notes in an aggregate principal amount of US\$27,325,000 in the open market, representing approximately 5.47% of the aggregate principal amount of the August 2022 Notes.

Between 1 August 2022 and 5 August 2022, the Company had further repurchased part of the August 2022 Notes in an aggregate principal amount of US\$2,000,000 in the open market.

The August 2022 Notes are listed on the Singapore Exchange Securities Trading Limited and matured on 8 August 2022 (the "**Maturity Date**"). All the August 2022 Notes had been fully redeemed and cancelled and subsequently delisted from the official list of the Singapore Exchange Securities Trading Limited.

On 20 September 2022, 26 September 2022, 7 October 2022, 11 October 2022, 13 October 2022, 19 October 2022, 28 October 2022 and 31 October 2022, the Company repurchased 11,358,000 Shares in total in the market at a total consideration of HK\$3,176,489. The maximum and minimum prices paid per share are HK\$0.355 and HK\$0.197 respectively. All repurchased shares were cancelled on 29 December 2022.

The reason for implementing the share repurchase is that the Board believes that the trading price of the shares does not reflect their intrinsic value and that this is a good opportunity for the Company to repurchase the shares, thereby increasing the value of the shares and improving the return to shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries and its joint ventures purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2022.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Annual Results, including the accounting principles and practices adopted by the Group, and discussed auditing, risk management and internal control systems and financial reporting matters with the management as well as reviewed the audited consolidated financial statements for the year ended 31 December 2022.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, cash flows information and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this announcement.

ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This Annual Results announcement is published on the “HKExnews” website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.jianye.com.cn. The Company’s annual report for the year ended 31 December 2022 will be published on both websites and despatched to the shareholders of the Company in due course.

By Order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 31 March 2023

For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HK\$ is based on the exchange rate of RMB0.8933 = HK\$1. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK\$ has been or could have been or may be converted at such or another rate or at all.

As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum is executive Director, Ms. Wu Wallis (alias Li Hua), Mr. Deng Gaoqiang and Mr. Shi Song are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.

* *For identification purposes only*